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Business Strategies to Increase the Financial Stability of Private Universities

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This is to certify that the doctoral study by

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Walden University
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Abstract

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Doctoral Study Submitted in Partial Fulfillment

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Abstract

University administrators of nonprofit higher education private institutions face challenges to maintain financial stability as the projected tuition revenue is expected to decline over the next 15 years. In addition, projected closure or mergers for all colleges and universities is expected to reach 50% by 2030. The purpose of this single case study was to explore the strategies higher education private institution administrators use to manage financial stability. Kaufman's complexity theory was the conceptual framework for this study. Purposeful sampling was used to select 4 university administrators from an Ohio higher education private institution for face-to-face interviews. Semistructured questions provided the basis for data collection to identify the strategies these administrators used to manage financial stability. Additional sources of data included strategic plans, financial responsibility scores, and operational budget reports. Through thematic analysis, 4 themes emerged: budgetary controls, a shift in marketing strategy, creating value, and competitive environment. Implications of social change includes the potential to provide possible business strategies to Ohio area higher education private institution administrators for the development and sustainability of financial stability, which could lead to improving the economic conditions for the local community.

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Dedication

This achievement is dedicated to my wife, Joy; daughter, Alyssa; and son, Michael for their unwavering support throughout this long doctoral process.

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I want to acknowledge the constant support, guidance, and assistance that Dr. Diane Dusick provided me throughout this journey. There were many times when I needed her extra push to reach the next milestone along this doctoral journey. Additionally, I would like to thank my second committee member, Dr. Howard Schechter, and University Research Reviewer (URR), Dr. Steve Roussas. I would like to thank the participants of this study for sharing insights on university strategies. Most importantly, I would like to thank family and friends who inspired and supported me along this journey.

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Section 1: Foundation of the Study

The financial stability of colleges and universities balances on the proper management of revenue, discounts, and investments (Fooladvand, Yarmohammadian, & Shahtalebi, 2015). University strategic plans address a high-level, long-term plan for university development but lack strategic guidance administrators need short-term to address fluctuations in revenue and changing operational budgets (Fooladvand et al., 2015). In this study, I examined the business strategies adopted by university management to sustain financial stability for the institution. Analyzing the strategic approaches by individual university administrators provides a basis for developing financially sustainable strategies that complement the university strategic plan.

Background of the Problem

The university strategic plan sets long-term goals and the mission for the university with the hope of establishing a competitive advantage (Shu-Hsiang, Jaitip, & Ana, 2015). However, when economic conditions change within higher education, the strategic plan may falter at providing direction on addressing short-term budgetary fluctuations (Gaskill, Van Auken, & Kim, 2015). Maintaining financial stability for a college or university requires management to become fiscally responsible by managing the changes in ebb and flow of tuition dollars, institutional grants and scholarships, federal aid, endowment investments, and discount rates (Bhayani, 2015). Unfortunately, the complexity of the financial components supporting university operations is controlled through budgetary forecasting models (Alstete, 2014).

Universities rely on a tuition-based revenue model to maintain operational budgets (King & Sen, 2013). However, as salaries, utilities, and maintenance costs increase, tuition revenue fails to cover operational expenditures; each year universities' losses exceed $700 million for operational expenditures (King & Sen, 2013). In addition, included in these operational expenditures losses are the costs associated with maintaining instructional capabilities even with lower tuition revenue (Belfield, Crosta, & Jenkins, 2014). The impact on the institution from budget shortfalls reduces revenue necessary for providing exceptional support services in areas such as instruction, admissions, academic support, student support services, and facility maintenance (Thammasiri, Delen, Meesad, & Kasap, 2014). Ultimately, the loss of revenue creates an unstable financial environment that may contribute to the collapse of the university (Frey, 2013).

Problem Statement

Private university leaders seek ways to sustain their organizations in a downturn educational market (Smith, 2013). On average, 13 private universities or colleges have closed per year between 2004–2012 due to financial constraints (Snyder & Dillow, 2015). Experts project that 50% of all institutions will either close or merge by 2030 (Altundemir, 2012; Frey, 2013). The general business problem was that private colleges and universities face budget shortfalls that disrupt their financial stability. The specific business problem was that some private university administrators lack strategies to sustain the financial stability of their institutions.

Purpose Statement

The purpose of this qualitative single case study was to explore the strategies some private university administrators use to sustain the financial stability of their institution. The participants included business administrators at one Ohio university where full-time student enrollment (FTE) was between 1,000 and 4,999 students. The outcomes of this study could provide the basis for including strategies for reallocating financial resources to develop cost effective ways of sustaining the financial stability of their institution. The results of this study could also provide an opportunity for positive social change through enhanced student, faculty, and administrative engagement at educational institutions leading to new strategies for financial stability. The development of new strategies could result in the reduction in operating costs, increases in endowments, better control of financial aid, and efficient recruitment of students. In addition, financially stable institutions of higher education provide secure employment within the community and help to maintain a well-educated public.

Nature of the Study

University leaders constantly struggle with maintaining financial stability and strategize to reach sustainability (Levy, 2013). Each year multiple institutions close due to poor financial management (Altundemir, 2012; Frey, 2013; Snyder & Dillow, 2015). The purpose of this study was to explore the strategic initiatives undertaken by university administrators to improve the financial position of the institution.

The three research methodologies of quantitative, qualitative, and mixed methods provide a basis for scientific research studies (Holden & Lynch, 2004). Holden and Lynch (2004) indicated that a qualitative approach encompasses a subjective nominalist perspective where conjecture answers open-ended questions. A mixed method design is more complex with data collection/analysis and required longer research times to complete (Venkatesh, Brown, & Bala, 2013). Time constraints for this study prevented me from choosing a mixed methods approach. Using a quantitative approach allows for the examination of the problem from an objective perspective, where the goal is to find definitive answers to questions (Holden & Lynch, 2004). Since the purpose of this study comprised an inductive reasoning approach to evaluating strategies that improve the financial stability of the institution rather than a deductive testing of hypotheses, a qualitative method was more appropriate (Holden & Lynch, 2004).

I considered the following qualitative designs for this study: ethnography, narrative, phenomenology, and case study. Ethnographic studies are appropriate when studying cultural norms (Tanggaard, 2014), which was not in alignment with the purpose of this study. The narrative design establishes a viewpoint from telling stories of the event (McGannon & Smith, 2015), which was not within the framework of this study. A phenomenological design study describes common experiences about a phenomenon rather than exploring strategies (McGannon & Smith, 2015). The case study design provides the means for examining contemporary phenomena within contextual constraints of the industry under study (Yin, 2014). The case study approach allowed me to explore the strategies university administrators use to improve and maintain financial stability, so it was the most appropriate design for this study.

Research Question

The goal of the qualitative case study was to interview administrators from an Ohio university. I used semistructured interview questions to garner insights on business strategies used to maintain financial stability. The central research question was: What strategies do private university administrators use to sustain the financial stability of their institutions?

Interview Questions

1. What are the sources of revenue for the university?
2. Describe the financial stability of the university over the last 5 years.
3. What are the key elements of the university that impact financial stability?
4. What aspects of the university have the most influence to affect financial stability negatively?
5. What aspects of the university have the most influence to affect financial stability positively?
6. What strategies have you used to increase your revenue?
7. What strategies have you used to reduce costs?
8. What strategies are you developing or have implemented that positions the university with a competitive advantage?

9. How do the short-term strategies that affect financial stability align with the university's strategic plan?
10. What financial indicators exist to measure the financial stability of the university?
11. What barriers exist to developing new strategies in response to the changes in financial indicators?
12. What else can you add regarding strategies you have implemented to sustain financial stability or feedback that you can offer on items that you implemented to sustain financial stability?

Conceptual Framework

Private universities exist as complex business systems, integrating social and educational dynamics of a service organization into a sustainable business entity. Complexity theory, introduced by Hartmanis and Stearns (1965), explained the development of patterns and relationships created through the interactions of system components. The base concept of complexity theory exists at a micro level, examining the interactions between a large number of individual components within the system (Kauffman, 1996). The constant interactions or relationships among the components create patterns that develop through adaptation to the chaotic environment (Kauffman, 1996). Kauffman's work was limited to biological systems, but as complexity science evolved, the application of complexity theory to business environments occurred (Kodeih & Greenwood, 2014). I used complexity theory as the conceptual framework in this study to help explore the strategies some private university administrators use to sustain the financial stability of their institution.

Definition of Terms

Business services: Any activity or process performed within an organization that is necessary for the business to operate (Desmarchelier, Djellal, & Gallouj, 2013).

Business strategies: Current actions and future thinking as a means to compete, maintain position, and create sustainability within a given market (Bentley, Omer, & Sharp, 2013).

Differentiation: Developing or maintaining a unique characteristic that distinguishes a product or service when comparing it to similar products or services (Matzler, Bailom, Friedrich von den Eichen, & Kohler, 2013).

Financial position: A company's or institution's ability to mitigate economic instability (Smith, Chen, & Anderson, 2015).

Integrated Postsecondary Education Data System (IPEDS): A system that manages surveys conducted by the U.S. Department's National Center for Education Statistics. Any institution (colleges, universities, and technical institutions) offering federal financial aid submits data to IPEDS for analysis (National Center for Education Statistics, U.S. Department of Education , 2014).

Higher education institution (HEI): HEIs are state-authorized, nationally-accredited institutions providing continuing education to secondary school graduates.

HEIs offer a minimum of a 2-year program (Higher Education Act of 1965, 1965, sec. 101).

Sustainability: Sustainability, in the context of this study, refers to the university's ability to maintain a positive financial position for future academic years (Universities UK, 2013).

Assumptions, Limitations, and Delimitations

Assumptions

According to Kirkwood and Price (2013), assumptions are those elements of a study that the researcher does not attempt to control but assumes to be true. I held three assumptions in this study. The first was that the university administrators would respond in a truthful manner to the surveys administered. Another assumption was that the responses corresponding to financial strategies would adequately represent actual institutional strategies. The last assumption was that leaders of higher educational institutions develop financial strategies that align with the institutional strategies for fiscal stability.

Limitations

Limitations are the inherent weaknesses of a study, and as with assumptions, are not controllable by the researcher (Kirkwood & Price, 2013). Private colleges and universities, the focal point for this study, have different funding requirements. Private colleges and universities acquire operational funding through avenues that may differ from public institutions (King & Sen, 2013). The restrictions on revenue surplus for private institutions align differently than shareholder constraints placed on for-profit institutions (King & Sen, 2013). The results of this study were limited by whether the reported financial strategies adequately represented actual institutional strategies. I did not include the local or global economic conditions that influence the type or implementation of strategic initiatives in this study. There was no distinction between successful and unsuccessful strategies. The honesty of the participants limited the validity of the data. In addition, some participants may have known me from my position at a local university, which may have influenced participants' responses and feedback.

Delimitations

Delimitations provide the boundaries of the research study and are controllable by the researcher (Davis, 2013). In this study, I focused on private colleges and universities and excluded public and for-profit institutions. The geographical constraint and the size category of the institutions bound the results of the study. The population for this study was delimited to one private, not-for-profit university in Ohio. The population was further delimited to one university offering 4-year or greater degrees, FTE enrollment between 1,000 and 4,999 students, and endowment investments of at least $12 million as reported to IPEDS for 2013. The participants providing feedback on institutional strategies included university administrators.

Significance of the Study

Contribution to Business Practice

Colleges and universities around the world struggle with the financial impact that student attrition creates on operating budgets. The results of this study may fill gaps that exist in determining business strategies that contribute to reducing student attrition and increasing revenue. The results of this study may (a) help improve university management, academic programs, and student engagement and (b) contribute to university financial sustainability.

The findings of this study may uncover beneficial business strategies that provide administrators at smaller, private, nonprofit colleges and universities a means to combat revenue decline. These strategies may allow colleges and university better options to maintain operational budgets rather than through increasing tuition costs. Controlling revenue through strategic initiatives helps reduce student financial debt.

Implications for Social Change

The foundation of this study was entrenched in business strategies as a means to address lost revenue from student attrition, creating a culture to optimize the use of university resources. Students benefit from a fiscally sustainable institution through increased financial aid, which lowers student debt. Successful students are more likely to become future donors to scholarship funds or contribute to university endowments (King & Sen, 2013). Students are more likely to remain at an institution that maintains fiscal sustainability, which directly positively affects the local economy through taxes and increased business patronage (Avery & Turner, 2012).

A Review of the Professional and Academic Literature

Private universities struggle with financial stability as federal, state, and local funding diminishes and as enrollment and other investments fluctuate (Deering & Sá, 2014). When instability occurs within industries other than higher education, administrators employ common business strategies to adjust business operations to maintain financial stability; however, Leach (2013) found that university administrators fail to implement appropriate strategies to mitigate budgetary shortfalls and risk potential closure of the institution. The focus of my study was to explore the strategies university administrators implement to sustain the institution financially. The following literature review is an overview of current research and a framework for this study.

This literature review will contain literature I found within a variety of scholarly journals, books, dissertations, and organizational and governmental reports. I located the literature reviewed using various search terms including (a) *strategic planning higher education*, (b) *operating budget forecasting higher education*, (c*) budgeting private universities*, (d) *academic factors affecting student retention*, (e) *business retention strategies colleges*, (f) *competitive advantage*, and (g) *fiscal responsibility higher education*. The supportive literature included 155 total referenced sources and encompassed 86% peer-reviewed articles, where 85% were published between 2013 and 2016.

The purpose of this qualitative single case study was to explore the strategies private university administrators use to manage financial stability. My organization of the literature review supported the framework of developing the financial strategies to sustain HEIs. In the subsections of the following literature review, I will provide an overview of the business strategies used to create a competitive advantage and their application to higher education. I will then provide information on the strategies that colleges and universities used to increase financial stability. I will conclude the literature review with an overview of the business theories grounding the need for this study.

Defining Business

Onetti, Zucchella, Jones, and McDougall-Covin (2012) defined a *business* as any firm, organization, or individual engaging in an entrepreneurial enterprise to create value. These enterprises manage the complexity of developing a profitable framework to compete within a competitive environment (Onetti et al., 2012). Crane, Henriques, Husted, and Matten (2015) identified three factors as the framework for a business classification: commercial, industrial, and economic. However, Crane et al. argued that organizations, such as nonprofits and government organizations, or individuals exchanging products where transactions may not be commercial, would not be considered a business under the simplistic definition (Crane et al., 2015). In all cases, for-profit and nonprofit entrepreneurial enterprises maintain unique operational processes to support competitiveness and value creation (Carland Jr, Carland, & Carland III, 2015; Liu & Liang, 2015). However, for the scope of this study, I used the definition of business as any entity engaged in an entrepreneurial enterprise where the intent to create value transpires (Onetti et al., 2012). It is important to note that a value focus enterprise experiences profits and losses, which influences financial stability (Fu, Lin, & Molyneux, 2014).

The classification of businesses falls under two broad categories: for-profit and nonprofit (Nowy, Wicker, Feiler, & Breuer, 2015). A for-profit business focuses primarily on generating a level of revenue greater than expenditures (Grizzle, Sloan, & Kim, 2015). By contrast, a nonprofit organization views revenue as a secondary importance, focusing on generating enough revenue to cover operating costs (Grizzle, Sloan, & Kim, 2015). In addition, the federal government validates nonprofit organizations through a tax exemption status under 501(c) (3) of the Internal Revenue Code (Haigh, Kennedy, & Walker, 2015). A key characteristic of nonprofits is that all excess revenue is returned to the organization through investments rather than distributed to shareholders (Nowy et al., 2015).

Even with the definitive division between for-profit and nonprofit entities, a growing market exists where collaborative initiatives develop between the two sectors (Child, 2015). In these cases, the for-profit sector provides funding and other resources to the nonprofit sector (Child, 2015). Haigh, Kennedy, and Walker (2015) argued that the division between for-profit and nonprofit organizations has become further grayed by the development of hybrid organizations. These organizational leaders develop business strategies to fund initiatives in the opposite sectors to achieve a competitive advantage (Haigh et al., 2015).

The achievement of obtaining a *competitive advantage* positions a business within its respective market to improve its financial position (Porter, 1998). The advantage, either through new products, product differentiation, service changes, or product pricing, results in increased revenue (Porter, 1998). In addition to products and pricing, changes in marketing strategies affect the customers' perceptions of product value, which increases the desire for the product (Caldwell, Licona, & Floyd, 2015). In either case, increased sales generate higher revenues for the business (Caldwell, Licona, & Floyd, 2015). However, Liu, Ma, and Huang (2015) argued that the complex nature of business create a need for complex strategies to achieve a competitive advantage.

The strategies businesses have developed and implemented focus on increasing profits and targeting (a) product development and improvement for differentiation; (b) supply chain, logistics, and labor for cost reduction to lower product cost; (c) product marketing for generating product interest and sales; and (d) competitor acquisition to expand the customer base and reduce competition (Alonso-Almeida, Bremser, & Llach, 2015; Banks, Vera, Pathak, & Ballard, 2016; Molina-Azorín, Tarí, Pereira-Moliner, López-Gamero, & Pertusa-Ortega, 2015). The focus of these offensive or proactive strategies was on pushing forward with innovation and market disruption. In contrast to proactive strategies, a defensive or reactive stance exists, where the focus concentrates on maintaining market position (Alonso-Almeida et al., 2015). This approach buffers the highs and lows in the market, where business constantly expands and contracts to maintain profitability and stability (Alonso-Almeida et al., 2015).

Financial Stability: Proactive and Reactive Strategies

The goal for all businesses and organizations is to maintain financial stability and develop strategies to maintain profitability for long-term sustainability (Peng, Pandey, & Pandey, 2015). This goal exists within both the for-profit and nonprofit sectors. Businesses or organizations within each sector provide goods or services, employ people, and contribute to local and global economies. However, the strategies used to generate revenue do not always provide long-term stability. Financial enhancing strategies are categorized as either proactive or reactive strategies (Alonso-Almeida et al., 2015).

The focus of proactive strategies is on increasing revenue through expansion, innovation, increased efficiencies, and cost reductions (Alonso-Almeida et al., 2015; Banks et al., 2016; Molina-Azorín et al., 2015). Immediate downturns in market conditions do not influence proactive strategies (Alonso-Almeida et al., 2015). Proactive strategies ultimately center around achieving market leadership, which dictates the development of strategies centered around core business functions, business processes, organizational structures, and innovation capabilities (Alonso-Almeida et al., 2015). Evaluation of core business functions or products maintains and/or expands profitable products and services and reduces or eliminates poor performing products or services (Alonso-Almeida et al., 2015). Alonso-Almeida et al. (2015) indicated that a focus on the core products improves quality and results in cost reduction and increased productivity.

The realignment strategies flatten managerial structures and focus on employee integration, which provides higher efficiencies while reducing costs (Alonso-Almeida et al., 2015). In addition, examination of internal processes as well as external processes (supply chain and logistics) lead to increased efficiencies (Liu & Liang, 2015). In all areas of change, cost reduction occurs from process efficiencies, reduction in product costs, and labor changes (Alonso-Almeida et al., 2015; Liu & Liang, 2015). Market expansion and product or service innovations generate additional revenue streams (Banks et al., 2016). Since these changes manifest over longer periods, minimal business disruption occurs. Even though proactive strategies may lead to a reduction in labor, the increased productivity, improved employee satisfaction, and increased customer approval levels contribute to competitive advantage (Alonso-Almeida et al., 2015; Liu & Liang, 2015).

In addition, Banks et al. (2015) argued that the managing of stakeholder influence may be equally as important as other proactive strategies to maintain long-term financial stability. Stakeholders look to realize consistent gains from their investments. Managing the stakeholder relationship and ensuring business competitiveness and profitability alleviates the potential for short-term, reactive changes (Banks et al., 2016).

In contrast, the use of reactive strategies occurs during quick fluctuations in market conditions or when financial stress happens (Alonso-Almeida et al., 2015). These strategies focus on maintaining the business' market position or profitability. Reactive strategies are implemented short-term and concentrate on cost reduction or cash generation (Alonso-Almeida et al., 2015). Cost reductions include not offering pay increases or reduction in pay, as well as, reducing personnel (Alonso-Almeida et al., 2015). Lower inventory levels and reduction or elimination of services also contribute to cost reduction (Alonso-Almeida et al., 2015). Increase in cash occurs through divestment of investments and business ventures, as well as the selling of assets (Alonso-Almeida et al., 2015). Unlike proactive strategies, reactive strategies are disruptive to the business or organization. Alonso-Almeida et al. (2015) argued that proactive strategies, rather than reactive strategies, achieve a competitive advantage even though businesses and organizations realize cost reduction from both proactive and reactive strategies.

As for endowments, these investments exist as both proactive and reactive financial strategies (Ehrenberg, 2012). As a proactive strategy, university administrators actively solicit the university community and public for contributions to endowment funds and maintain a strong investment strategy (Dowd & Shieh, 2014; Ehrenberg, 2012; Geiger, 2015). These funds increase in value as market conditions remain strong and decrease in value during downturns in the financial markets (Deering & Sá, 2014; Geiger, 2015). In contrast, as enrollment declines, university administrators implement reactive strategies by pulling monies from the endowment funds to supplement student financial aid and operational budgets, ultimately reducing the return on long-term endowment investments (Deering & Sá, 2014; Ehrenberg, 2012).

HEIs exist as businesses within both the for-profit and nonprofit sectors. As with other businesses, HEIs develop and implement strategies around financial stability and long-term sustainability. Given the changing market conditions in the higher educational sector, university and college administrators may engage similar proactive and reactive strategies as seen in for-profit and nonprofit sectors. Administrators look to implement these strategies to achieve a competitive advantage over competitors. These strategies include lowering tuition and operating costs, expanding offerings of new programs, reducing labor costs, expanding into other markets (online learning), and increasing their focus on marketing efforts to attract new students from a global perspective (Ehrenberg, 2012; King & Sen, 2013).

Business Strategies

Low-cost leadership. The *cost leadership strategy* distinguishes a business or organization from other market competitors strictly on low price or cost of their product or service (Porter, 1998). The low-cost leader develops a competitive advantage initially to attract customers away from their competitors. Porter (1998) argued that the advantage becomes short-term when the customer perceives the quality of the product or service as sub par when comparing to competitors. In higher education, the student becomes the customer, purchasing educational services from a college or university.

The higher educational market consists of public and private institutions. Within this market, only the community college (public 2-year) maintained a low-cost leadership (Romano, 2012). Other colleges and universities thrived because, as Porter (1998) iterated, the perception of lower quality drove students to other institutions. However, the cost of college has increased by an average of 3% per year over the last 30 years (Geiger, 2015). Direct cost-per-student increased along with educational costs due to institutional inefficiencies (Ehrenberg, 2012). The quality and affordability of a college degree becomes questioned with student debt surpassing credit debt (Hillman, 2014).

With the value of postsecondary education in question, causing students to rethink attending college and as the potential pool of students continues to shrink, college and university leaders revisit strategies to maintain financial stability. Finkle and Masters (2014) introduced the concept of massive open online courses (MOOCS) as a means for pushing out educational content and capturing students. Students participate in the MOOCs in a similar manner as traditional online or brick-and-mortar courses (Finkle & Masters, 2014). These courses are independent or linked to accredited institutions to award credit (Finkle & Masters, 2014). Independent MOOCs offer alternative pedagogy, but some in academia question their legitimacy (Finkle & Masters, 2014). MOOCs become the low-cost product for some institutions, driving increases in student participation.

The University of Wisconsin allowed students access to unlimited MOOCs for $2,200 during specific times (Finkle & Masters, 2014). This strategy appealed to students as a way to save money, access courses through other nontraditional avenues, and earn a degree (Finkle & Masters, 2014). This strategy also provided the university a means to increase enrollment.

Differentiation. The concept of differentiation relies on the basis that some aspect of the business or organization differs from other competitors within the same industry (Porter, 1998). Differentiation establishes a uniqueness that provides a perception of value to customers. This uniqueness exists as products, services, or other aspects contained within the value chain (Porter, 1998).

For colleges and universities, the customer becomes the high school graduate, the transfer student from another HEI, or adult learners returning to college for degree completion or continuing education (Hussar & Bailey, 2013). Each HEI exists as an autonomous company within a local geographical area. Students chose these HEIs based on proximity to local communities. The student enrollment at colleges and universities increased by 46% between 1996 and 2010 and provided institutions with plenty of revenue-contributing students (Hussar & Bailey, 2013). However, the projected enrollment for 2010 to 2021 is expected to increase by 15%, creating a smaller pool of applicants (Hussar & Bailey, 2013).

Fewer students mean more competition between HEIs to acquire larger portions of the potential incoming student pool. The competition generated *differentiation strategies* that would entice new students. Jaquette (2013) examined the enrollment impact when colleges transformed to university structures. Colleges characterized as private *liberal arts colleges* generally provided Bachelor of Arts (BA) degrees in nonprofessional majors (Jaquette, 2013). As student preferences shifted towards professional majors, a decline in student enrollment developed for many colleges even though the curriculums included professional degrees (Jaquette, 2013). As a response to declining enrollment, colleges transformed their image into a university structure, creating a perception of higher quality (Jaquette, 2013).

University leaders further expand the available student pool through outreach to the international student population (Gallacher, 2014). The move from a *college* to a *university* perception benefits the recruitment of international students (Jaquette, 2013). Colleges maintained a perception of a community college education within the international community (Gallacher, 2014). Jiang and Carpenter (2011) examined the impact of adopting an internalization business strategy for universities. Key factors for success included university and operational support, people and financial resources, and cultural modifications (Jiang & Carpenter, 2011). Institutions expanding to attract an international community must commit to internal communications and cooperation between university academics and business departments (Jiang & Carpenter, 2013).

Expansion into online learning provided another avenue to differentiate an HEI and create an additional source of revenue (Dowd & Shieh, 2014; Sutton, 2014). Lee, Choi, and Kim (2013) indicated that over 4 million college students in 2008 participated in online learning. The number of online students is expected to increase into the future (Lee et al., 2013). The online environment offered the ability for students to interact with course material and other classmates from outside the traditional classroom via a computer and an internet connection (Wright, 2014).

Online business models offer synchronous, asynchronous, and competency-based learning (Bruff, Fisher, McEwen, & Smith, 2013). The synchronous model focuses on the interaction between the instructor and distant learner at the same time. This interaction occurs through online chat or discussion forums, video conferencing, or teleconferencing (Akyol & Garrison, 2014; Bruff et al., 2013). An asynchronous learning environment facilitates a learning where the student interacts with the course material but not tied to specified course times and is independent of instructor involvement (Akyol & Garrison, 2014). Lastly, the competency-based online learning allows the student to move through the coursework at their leisure, completing periodic assessments throughout the course (Bruff et al., 2013).

Online course delivery provides the potential to be more effective learning environment due to a higher level of student engagement and critical thinking (Akyol & Garrison, 2014; Wright, 2014). However, due to the self-motivational aspect of online learning, attrition rate increase when compared to traditional learning environments (Akyol & Garrison, 2014; Wright, 2014). In addition to the increased self-motivational aspect, online success relies on similar factors affecting traditional students such as social integration, financial aid, and cultural influences (Akyol & Garrison, 2014).

Adopting an online strategy provides no guarantee for increasing student enrollment and revenue. Wright (2014) argued that expanding into online learning for traditional HEIs might not create a new revenue stream. The traditional institution, with an online presence, offers all courses (in-class and online) to all students (traditional and distance learners). At times, the traditional students opted to take courses online rather than in-class, thus moving the participation from one learning model to another (Wright, 2014). This transfer shifted the revenue stream as opposed to increasing revenue from additional student engagement (Wright, 2014).

Customer relationship. The development and rise of new processes and technologies such as outsourcing, offshoring, open source software, and wireless technology transformed international business and educational markets into a flat world or leveled competitive environments (Czaika & de Haas, 2014). The Internet, in conjunction with world flatteners, provides businesses and organizations more opportunities to compete in a global environment (Czaika & de Haas, 2014). However, as the Internet and information technology flattened global markets, face-to-face communication declined, which gave rise to rethinking customer interaction and relationship building (Czaika & de Haas, 2014).

A customer relationship strategy focuses on the interaction between the customer and the vendor to build bonds that will create value for the customer and ultimately, generate sales (Ritter & Andersen, 2014). This one-sided, customer centric, perspective puts the burden on the supplier to build the relationship with the customer. Ritter and Anderson (2014) presented a relationship model that incorporated a three-dimensional view, which includes the supplier, customer, and the relationship. This model extended value creation from all three perspectives, giving incentives and value to all associated participants.

Relationship building is an important aspect of colleges and universities business strategy (Fuentes, Ruiz Alvarado, Berdan, & DeAngelo, 2014). As the number of potential applicants diminishes, the competition increases to attract new students and strategies to keep existing students moves to the forefront (Smith, 2013). Developing a relationship early in the recruitment stage becomes key to attracting new students, and that relationship carries into retaining that student from year-to-year (Douglas et al., 2015). Identifying relationship characteristics important to students helps develop appropriate recruitment and retention strategies (Zineldin Akdag, & Vasicheva, 2011).

Zineldin et al. (2011) studied student satisfaction in relation to educational institution quality. The researchers presented five quality characteristics, which included education received, core services, infrastructure (physical appearance and support services), institutional communication, and campus environment (social and student/faculty interaction). The quality of the infrastructure ranked highest, followed by campus environment, and then by education received. The findings of the study offered institutional attributes to consider for future strategies even though demographics of the participants limited the applicability to other institutions (Zineldin et al., 2011).

Douglas, Douglas, McClelland, and Davies (2015) investigated student satisfaction with the quality of education using experiential phenomenon as a lens for research. The researchers identified the critical factors of infrastructure, student/faculty interaction, communication, social integration, the applicability of core education, and cost of services. Of these factors, the top three factors contributing to dissatisfaction for students ranked communication as first, followed by student/faculty interaction, and then infrastructure (Douglas et al., 2015). The work by Douglas et al. supported the findings by Zineldin et al. (2011) that physical environment (buildings, classrooms, and support services); communications with the student, and the interaction or relationship building between faculty and student become critical components to account for in strategic initiatives for recruitment and retention.

Network effect. The *network effect strategy* focuses on the conception that as the introduction or use of a product or service increases, the value of the product or service increases, thus creating desire or need of the consumer to obtain the new product or service (Nagler, 2015). Consumers benefit from the network effect because as the product or service becomes more popular additional businesses enter the market, which reduces the product or service pricing. Business owners benefit from the network effect from knowing that potential additional sales and revenues exist from an in-demand product (Nagler, 2015). However, businesses do not drive the network effect phenomenon (Saxton & Wang, 2014).

Nagler (2015) argued that the consumer drives the network effect through the expectations of the consumer, creating competition among the providers. This competition becomes true only when there are multiple avenues for the consumer to obtain the product. As with higher education, students are the consumers and universities are the businesses competing for their tuition dollars. Students benefit because of the competition created amongst universities offering similar degree programs (Nagler, 2015). However, Nagler indicated a diminished network effect when the market segments and the resulting networks compete for consumers.

The network effect is not strictly relying on low pricing between the competitors to create a desire for products and services. Brécard (2012) identified the value attributed to green (environmentally friendly) or perceived quality products as another dimension for generating a network effect. Green or quality products and services command higher pricing structures (Brécard, 2013). The green concept has spilled over to higher education where institutions incorporate green and sustainability initiatives into campus administration, institutional branding, and course curriculum to attract students (Shi & Lai, 2013).

Raacke and Bonds-Raacke (2013) expanded on the network effect to explain the performance of student cohorts and adjustment to university life through involvement in social networks. The network effect exists as students band together, become a cohort, through course and club interaction, as well as other social avenues (Raacke & Bonds-Raacke, 2013). As more students group together, their interactions between members create an inclusive supporting environment. This comradery and group support allow students to generate improved academic performance, and in turn, reduce the likelihood of leaving the institution (Raacke & Bonds-Raacke, 2013).

Garcia Suarez, Trigueros Cervantes, and Rivera Garcia (2015) provided evidence to support the positive impact of network effect on student cohorts. Garcia Suarez et al. incorporated Twitter as a communication engagement tool between students and with faculty members. Garcia Suarez et al. assembled experimental and control groups to test the impact using social media to improve academic performance. The results of the study indicated that Twitter engaged the faculty and student cohort and had a grade point of 0.5 higher as compared to the control group (García Suárez et al., 2015).

Summary. Business strategies for higher educational institutions mimic corporate strategies. As with corporate strategies, colleges and universities develop and implement strategies with a hopeful outcome of increasing student enrollment and generating more revenue. The strategies include (a) low-cost leadership, (b) differentiation, (c) customer relationship, and (d) network effect. Low-cost leadership establishes the college or university a cheap alternative to other educational institutions. Differentiation distinguishes a college or university from another HEI. A customer relationship strategy builds the relationship with the student with the outcome of enrolling the student. Lastly, network effect influences enrollment by creating an environment that entices students to participate.

Retention Strategies

The college environment has become a complex integration of faculty (delivering educational content), students (the customer receiving the education), and administration (imparting financial and business concepts) working together to create a sustainable community (Forsman, Linder, Moll, Fraser, & Andersson, 2014). Each brings into the system expectations, which culminate from personal and professional behaviors. A critical factor for the sustainability of this system lies with student retention or student persistence (Forsman, Linder, et al., 2014). Early thinking positioned the student and their behavior issues as factors for persistence (Tinto, 2006). As thinking and theories progressed, more emphasis was placed on a shared responsibility perspective between the student and the institution (Tinto, 2006). Prior studies have explored the constructs such as social integration, cultural diversity, academic preparation, and college readiness to provide an indication of persistence (Campbell & Mislevy, 2013).

Student focus. A student focus on persistence allows the institution to develop retention strategies designed to address students' needs and appeal to their behavioral characteristics (Jeffreys, 2014). Since students are the primary source of revenue at small liberal arts universities and colleges, their departure, for any reason, directly influences business operations (Ehrenberg, 2012). Efforts to mitigate the revenue loss from students who may potentially leave the institution focus on factors relating to the student, which includes (a) financial, (b) demographics, (c) personal, and (d) academic factors (Fuentes et al., 2014; Marsh, 2014).

Leaving the institution for reasons other than graduation creates financial stress for the student as well as the institution (Belfield et al., 2014; Harris, Campbell Casey, Westbury, & Florida-James, 2015). Avery and Turner (2012) indicated that borrowing for college increased from $20 billion in 1994 to $100 billion in 2010, which put the total student loan debt over $800 billion. Students who did not complete a degree had higher average loan amounts than students who graduated. In addition, students who drop out are less likely to re-enroll at other institutions and are more likely to default on their student loans (Avery & Turner, 2012). Even though student debt increased over the last

20 years, the earning potential double for a college graduate as compared to a high school graduate (Avery & Turner, 2012).

Jackson and Reynolds (2013) estimated the student loan debt amount to be closer to $1 trillion dollars. Jackson and Reynolds corroborated Avery and Turner's (2012) suggestion that lack of persistence equates to higher loan amounts and extend the observation to include black students having higher loan amounts to repay. In addition, Jackson and Reynolds found that students who used loans to pay for college were more likely to persist to graduation and less likely to default on loans. However, no matter the racial distinction, the students' debt prior to leaving the institution affected their individual credit rating and reduced long-term earning potential (Jackson & Reynolds, 2013).

Many private, public, and for-profit institutions rely on tuition as a primary source of revenue. Student attrition reduces revenue generated by tuition and extends to a reduction in expenditures for support services in areas such as admissions, academic support, and student support services (Belfield et al., 2014). Romano (2012) estimated that for every student who leaves college (public and 2-year colleges), the institution realizes a loss of approximately $13,000. Romano argued that operational costs increase each year due to faculty and administrative salaries, academic and support services, and student services. The rise in administrative costs affect private, public, and for-profit colleges and universities more than local community colleges and accounts for higher tuition increases for non-community colleges (Romano, 2012). Romano recommended controlling administrative, as well as faculty costs, and not passing these costs onto students in the form of tuition increases. Higher tuition costs push students towards other institutions.

Institutional leaders develop strategies to address attrition and increase retention. Every college and university understand that the loss of students eventually leads to loss of revenue (Ehrenberg, 2012). When students leave, the only option to account for the loss is to either reduce costs through budget reductions, increased tuition or increased enrollment. A student’s decision to leave manifests from a variety of social, economic, academic, and personal factors (Ehrenberg, 2012).

Tinto’s (1975) seminal work on student retention, examined the relationship between integration into college culture to the potential for student withdrawal. Tinto developed a model that expanded college integration into social involvement and academic performance. The model depicted two outcomes for traditional students: (a) students who performed academically and integrated into the college environment remained at the institution, and (b) students who lacked academic motivation and failed to integrate into the college culture left the institution (Tinto, 1975).

Bean and Metzner (1985) examined the attrition of nontraditional students, which included commuters, adult professional, and part-time. The nontraditional student constitutes 71% of the student population on campus (Gordon, 2014). Bean and Metzner’s model placed more emphasis on the psychological aspects of education and the dynamics of work and life interactions from off campus (Bean & Metzner, 1985). As with Tinto’s model, Bean and Metzner identified two outcomes: (a) students who maintained a balance between work, academics, and off-campus life persisted and (b) students who could not balance life and school left the institution.

Tinto (1993) observed that the highest student attrition rate occurred between Year 1 and Year 2. The 2014 figure for retention averaged 67.6% for all higher educational institutions (ACT, 2014). Reducing student departure directly influences the financial stability of the institution. Whatever the reason for leaving, identifying these at-risk students becomes the first step to managing attrition (Duarte, Ramos-Pires, & Gonçalves, 2014).

The at-risk student is the student who eventually will leave the institution for various academic and/or social reasons. Rohr (2012) examined academic factors, which included grade point average (GPA) and Scholastic Aptitude Test (SAT) scores. Rohr concentrated his research on historical data collected from science, technology, engineering, and math (STEM) students. When GPA increased for this grouping of students, a higher probability of retention of these students occurred (Rohr, 2012). Rohr also determined that SAT scores provided insight into retaining the STEM students but to a lesser degree.

Delen (2011) investigated the impact of 39 variables on predicting the retention of students. The variables included SAT, GPA (high school and college), credit hours earned, and major. In addition to academic factors, Delen included demographic factors (sex, ethnicity, and home location) and financial aid information (grants, waivers, and scholarships). Of the factors used, GPA, earned/registered credit hours, financial aid, and SAT provided the best information for predicting attrition with 81% success (Delen, 2011).

Taking into account all factors (academic, economic, social, and demographic), Duarte et al. (2014) found that the at-risk student maintained a grade of C or lower and portrayed higher probabilities of leaving the institution within the first year. The at-risk student comprises 79% of the students who leave the institution (Duarte et al., 2014). Therefore, concentrating retention efforts on this group of students benefits the financial stability of the University (Tampke, 2013).

Faculty focus. When addressing the subject of student retention or attrition, the focus has been on determining the characteristics of students who choose to depart from the institution. These characteristics and/or behaviors deal with self-esteem, community and extracurricular involvement, college life integration, student habits, and other personal, family, and environmental influences (Bean & Metzner, 1985; Tinto, 1982, 1987). Faculty are the single most influential group on college and university campuses that directly influence student outcomes, both in the classroom and in the campus and local community (McCormick & Lucas, 2014). Faculty deliver educational content and provide formative feedback to students. The method of pedagogy and the engagement between faculty and students attribute to the success of students within courses (McCormick & Lucas, 2014). Success leads to a smooth transition to the next level whereas failures require retakes and reevaluations of prior course material. These failures result in additional expenditures and increased debt, which creates doubts about the value of higher education (Tepper & Lindemann, 2014). College administrators are feeling the pressure from society to justify the cost of higher education and demanding an increased level of accountability for the education of students (Tepper & Lindemann, 2014).

McCormick and Lucas (2014) presented the role of faculty as a conduit for student academic success and retention. Faculty interact with students more than other members of the campus community and they are more aware of the pitfalls and deficiencies of their students. A primary role of the faculty is to address learning failures and the need for academic support (McCormick & Lucas, 2014). However, McCormick and Lucas indicated that many times, faculty put the blame on the student for course failures.

Russo-Gleicher (2013) suggested that a more thorough introduction to learning management systems and applications used in the courses improved student academic success. When students struggle, the faculty's responsibility is to connect the student with the proper support mechanism. Unfortunately, with the ever-changing faculty and the increased use of adjunct faculty, the types and routes of support for students are not always known (Russo-Gleicher, 2013).

The type of pedagogy used in the classroom delivers the educational material to the student, and the student makes the choice on how to learn the material. Kahu (2013) introduced the advantage of addressing student engagement as a means to supplement classroom teaching and other campus support avenues. Student engagement creates a personal connection with the faculty member and the institution and accomplishes this through course assignments, class participation, and external class activities (Kahu, 2013).

Engagement facilitates academic success, but the faculty member or instructor needs the expertise and knowledge to teach the course material (Suchman, 2014). Suchman (2014) explained that teaching quality, at times, lacks the necessary content and rigor. Meeting the appropriate level of rigor may require taking a course several times to develop the proper content for new faculty. Tenure track faculty are less likely to change content or implement additional teaching methodologies since research or other scholarship that meets tenure criteria becomes a higher priority (Suchman, 2014).

Oermann (2014) suggested that tenured and tenure-track faculty need varying career development paths that allow for a balance of academic teaching and scholarship (research, papers, and manuscripts). Institutions that moved to the Boyer’s Model provide faculty other means of satisfying scholarly requirements (Oermann, 2014). This model promotes the institutional mission and an element of scholarship designed around the university mission. Research becomes secondary; promoting teaching, university participation, and adding other forms scholarship (Oermann, 2014).

Administrative focus. College and university leaders continually look to increase student enrollment. For private schools, community colleges, and for-profit institutions, a dependency on tuition as the primary revenue source exists (King & Sen, 2013). Tuition increases by approximately 5.8% each year, which in turn generates additional revenue

(Best & Keppo, 2014). Offering new programs attracts new students, increases enrollment, and produces higher revenue (Finkle & Masters, 2014). Adding a new delivery path such as online education expands the reach and ease of access to students (Wright, 2014). In addition to adding new programs, educational leaders make continued efforts to develop strategies to reduce student attrition (Fortin, Sauvé, Viger, & Landry, 2016).

For new students and students who may leave the institution due to financial reasons, college and university leaders employ tuition discount strategies (Ehreberg, 2012). Ehreberg (2012) elaborated that the overall cost of tuition dropped by awarding more need-based and merit scholarships to students. New incoming students capitalized on a 42% discount rate (Ehrenberg, 2012). However, discounting tuition leads to lower revenue for the institution, which creates the need to raise the overall tuition cost and enroll more students to offset the losses (Stange, 2015).

Online education is another avenue pursued by many institutions to increase enrollment. This course delivery mechanism provides the institution a means to reduce facility costs and deliver content to students when needed (Curtiss et al., 2016). The online courses provide students with easy access to course material and reduce travel costs as well as time constraints associated with on-campus classes. Student enrollment for online courses increased by over 9%, whereas regular brick-and-mortar enrollment dropped by 0.1% (Allen & Seaman, 2013).

Allen and Seaman (2013) examined the impact online education on higher educational institutions over a 10 year period. Allen and Seaman found that 32% of students engage in online learning, and 69% of academic officers include online education as part of long-term strategies for institutional growth. However, as more students participated in online learning, retention rates decreased due to lack of commitment from student engagement (Cochran, Campbell, Baker, & Leeds, 2014).

The lower retention rates for online learning corresponded to lower degree completion rates (Deming, Goldin, & Katz, 2013). ACT (2014) determined the 2014 persistence to degree completion rate to be 45.5%. Shea and Bidjerano (2014) examined the impact of online learning on degree completion in relation to the time of the online experience. Shea and Bidjerano determined that students exposed to online coursework earlier in their academic career persist more frequently toward degree completion. Early exposure or adaptation to new teaching methods influenced student retention and persistence (Shea & Bidjerano, 2014).

In conjunction with early exposure to online teaching, institutional engagement with the student facilitates long-term persistence (Shea & Bidjerano, 2014). Price and Tovar (2014) investigated institutional factors (active and collaborative learning, student effort, academic challenge, student-faculty interaction, and support for learners) and their relationship for predicting graduation. Price and Tovar's results differed from other researchers' results who focused on the academic, social, and behavioral characteristics of the student and focused on the implications from an engagement perspective. Price and

Tovar concluded that active and collaborative learning and support for learners' surface as predictors for graduation rates.

Marketing focus. Colleges and universities have relied on First Year Experience courses (FYE) to address freshman attrition (D'Souza, Kroen, Stephens, & Kashmar, 2015). These FYE programs are designed to integrate the student into college life, development of college learning skills, and introduction to chosen major business opportunities (Fortin et al., 2016). Students learn the skills necessary to succeed and persist to their second year in these courses, increasing retention rates (D'Souza et al., 2015). HEIs capitalized on these publicized retention rates and included them in marketing plans to increase enrollment (D'Souza et al., 2015).

Vianden and Barlow (2014) used a marketing focus to examine the student relationship with the college or university using the same concept as a business uses a customer relationship management (CRM) approach (Vianden & Barlow, 2014). Students are like any other customer, buying a product or service, only that they purchased an educational product (courses), leading to a postsecondary degree (Woodall, Hiller, & Resnick, 2014). The expectations of the new-age student (consumer) included a value-added proposition and forced institutions to develop supporting marketing plans. This change in marketing strategy deviated from the historical perception of inferred educational value (Woodall et al., 2014).

University marketers develop plans based on a strategy to attract new students, either as prospective students graduating from high school or transfers from other institutions (Alnawas, 2014). Marketing directors no longer market to students once they enter the institution, although they should persist throughout the students' academic career. A key component of fixing the retention hurdle lies with the understanding of why the student came to the university and what expectations the student has throughout their stay (Alnawas, 2014). Managing the student's expectations or relationship from a university academic perspective but also from a student's perspective on how the university is meeting their needs (Alnawas, 2014).

Vianden and Barlow (2014) expressed that the concepts of a relationship management system tracked the student from the first contact through graduation, monitoring the interactions as the student required support. Developing a responsive system that meets the student's expectations ensures long-term retention (Vianden & Barlow, 2014). Vianden and Barlow presented an argument that effectively using a student relationship management system to influence an additional 1 out of 10 students to remain, or persist to graduation, over 5 years potentially creates an additional 22% in student revenue.

In conjunction with the traditional marketing plans and relationship management systems, institutional and degree program reputation effects the enrollment and retention of students (Beenen & Goodman, 2014). As institutions focus on transforming the physical learning environment through remodeling and new construction, degree programs become secondary, creating lower quality (Beenen & Goodman, 2014). Beenen and Goodman (2014) argued that students tend to be unprepared for the business world after graduating from Master of Business Administration (MBA) schools. Beenen and Goodman focused their research on two engineering schools (similar rigorous learning outcomes as MBA programs) to show that schools with mutually agreed upon learning contracts that included faculty and students exhibited a higher level of personal learning. The increased learning level produced better students, ultimately providing additional marketing material (Beenen & Goodman, 2014).

Summary. The retention strategies employed by higher educational institutions counteract student attrition. These strategies focus on (a) students, (b) faculty, (c) administrative, and (d) marketing aspects of the institution. A student focus strategy addressed behavioral characteristics that influence a student’s perception and the likelihood of persistence. A faculty focus strategy emphasized the importance of qualified faculty since their influence directly affects a student’s decision leave. An administrative focus strategy concentrates of the physical components and content delivery of education to attract and retain students. Lastly, a marketing focus strategy examined the student from a customer relationship perspective.

Business Theories

Historically, a plethora of students was available to attend higher educational institutions (Snyder & Dillow, 2015). If a student departed before matriculating to graduation, other students were available, replacing the revenues generated by the dropouts. Colleges and universities focus on student persistence as a means to influence institutional financial sustainability directly (Belfield et al., 2014). However, as the pool of students decreases, private colleges and universities develop and implement strategies to address budgetary shortfalls (Bhayani, 2015). University administrators focus these strategies toward financial stability and target, financial aid, scholarships, endowment investments, and cost reduction measures (Bhayani, 2015). Understanding complexity theory allows for the better management of financial resources across the institution (Lepori, Usher, & Montauti, 2013). As part of the complex educational environment, understanding the competitive advantage theory (Porter, 1998), and integration theory (Bean, 1985; Tinto, 1975; Treisman & Gelade, 1980) may provide additional insights to support the development and implementation of financial stability strategies.

Complexity theory. Complexity theory explains the development of patterns and relationships created through the nonlinear interactions of system components (Hartmanis & Stearns, 1965; Kauffman, 1996). Hartmanis and Stearns (1965) introduced complexity theory in 1965 using computational modeling. Hartmanis and Stearns focused on the difficulty of computing numerical sequences. However, it was not until Kauffman (1996) examined the interconnected relationships between members of a biological system that complexity theory or complexity science evolved.

The base concept of complexity theory exists at a micro level, examining the interactions between a large number of individual components within the system (Kauffman, 1996). The constant interactions or relationships among the components create patterns that develop through adaptation to the chaotic environment. Kauffman's work was limited to biological systems, but as complexity science evolved, the application of complexity theory to business environments occurred (Kodeih & Greenwood, 2014).

Building a successful business relies on forward-thinking and development and implementation of strategies that create a competitive advantage within its respective industry (Porter, 1998). Implementing the proper strategy hinges on the understanding of (a) how the complex components react within the firm, (b) the interactions of stimuli within the industry, and (c) the influence of the industry on the firm (Klettner, Clarke, & Boersma, 2014). The complexity components include the physical environment, business economics, governmental organizations, people, and behavioral implications (Tong & Arvey, 2015).

Tong and Arvey (2015) argued that the application of complexity theory in business substantiate the rise of organization and patterns from chaos. A transition to a stable business environment results from the adaptive nature of people and firms (Tong & Arvey, 2015). In addition, the stable framework exists due to constant system changes (Tong & Arvey, 2015).

Complexity exists at the process level or supply chain level within the business framework (Blome, Schoenherr, & Eckstein, 2014). The multidimensional relationship of the supply chain, which covers the upstream, downstream, and internal components, drive business complexity (Blome et al., 2014). Blome et al. (2014) argued that as in chaos, higher levels of complexity results in stability and increased performance. HEIs exhibit similar complexity within the educational business environment (Forsman, Linder, et al., 2014).

HEIs operate as a system of business units with complex relationships (Forsman, Mann, Linder, & van den Bogaard, 2014). Each department, school, or college within the university encompasses faculty, support staff, and students. The units assist Admissions in the recruitment of students for their respective areas, improving the financial success of the unit and the institution. HEIs maintain environments that contain physical structures, human capital, and social communities creating learning environments (Forsman, Linder, et al., 2014). Each component exists as a dynamic entity, interacting with each other component, continually changing the learning dynamics (Forsman, Mann, et al., 2014). The change process occurs through nonlinear interactions with continual feedback pathways (White & Levin, 2016). Strategies to positively influence financial stability encompass the complex fabric of (a) the campus community, (b) student behaviors, (c) responses to pedagogical stimuli, (d) social interactions, (e) physical facility operations, and (f) the administration (Forsman, Linder, et al., 2014; Stange, 2015). The complex nature of colleges and universities lends to measure the success of business strategies at a macro level rather than a micro level (Taylor, Cantwell, & Slaughter, 2013). The business strategies may generate a negative effect to one group while a positive effect is realized by other groups (Taylor et al., 2013).

Competitive advantage theory. Competitive advantage theory, originally introduced by Porter in 1985, provides the holistic view of a firm’s economic and differentiated advantage over other firms within the same industry (Porter, 1998). All businesses, profit and nonprofit, aspire to maintain strategic positioning within their respective industries to obtain long-term sustainability (Porter, 1998). A competitive advantage approach by business facilitates a constant evaluation of the industry, processes, people, and strategies to develop or maintain an advantage over competitors within the same market. Porter (1998) introduced generic competitive strategies for products or services rooted on cost, differentiation, and focus. University administrators evaluate their educational services based on the competitive strategies introduced by Porter and develop institutional strategies that continually change from the monitoring of patterns, measurements, and feedback of student persistence (Mukerjee, 2014).

Like other industries, higher education fosters competition (Taylor & Cantwell, 2015). In addition, as with other businesses that compete in national and global markets, so do colleges and universities (de Haan, 2015). Taylor and Cantwell (2015) examined competition in higher education for international graduate students. Taylor and Cantwell found that international students accounted for 50% of the degrees awarded and produced more scholarly works. These works translated into potential institutional revenue (Taylor & Cantwell, 2015).

To maintain a competitive advantage, private university administrators use a business perspective (Khanna, Jacob, & Yadav, 2014). Khanna et al. (2014) suggested that an understanding of the university or college branding drives the development for differentiation of the educational experience. Monitoring, measuring and modifying the key process (university marketing to students, student persistence, and alumni relations) within the university value chain influence competitive advantage and long-term sustainability (Khanna et al., 2014).

De Haan (2015) presented the top six elements that provide a perception of competitive advantage for higher HEIs. The elements, in order of importance, included (a) quality of education and research, (b) institution's reputation, (c) the uniqueness of the institution (d) student enrollment growth, (e) quality of the buildings and services, and (f) ranking. These elements contributed to the institutional culture, helping to engage faculty and staff strive for distinction among the HEIs (de Haan, 2015). Even though ranking occupied the lowest level of importance, the ranking element provided the highest level of importance when comparing institutions on an international distinction stage (de Haan, 2015). Lastly, de Hann emphasized that the characteristics that produced the perception of competitive advantage differ between institutions and are not the primary strategies for a distinct advantage.

Integration theory. Integration theory originated through the work of Treisman and Gelade (1980). Their observations indicated that participants accepted stimuli when they engaged and maintained a cognitive connection to the situation. However, it was not until Tinto (1975, 1987) applied the theory to higher education that integration theory became a standard when addressing student attrition. The integration model or theory evolved to include the interactions of students with the college environment, which influenced their choice for persistence (Tinto, 1975, 1987).

Tinto (2006) expanded the theory to address the psychological dynamics experienced by students when attending postsecondary educational institutions as an explanation for students' decisions to persist or leave the institution. Understanding the reasons for departure does not constitute success towards retaining other students (Tinto, 2006). Institutions need to study persistence and departures as separate student processes to develop a retention strategy (Tinto, 2006).

Gershenfeld (2014) discussed the use of student mentoring strategies to increase student retention. Gershenfeld found that prior studies identified mentoring differently. Institutions viewed mentoring from a 4-year perspective, the mentee, and the mentor (Gershenfeld, 2014). Breaking down each mentoring category based on the need of the student creates a more effective integration strategy (Gershenfeld, 2014).

Zhang (2014) identified success through a first-year student program at Georgia Southern University in conjunction with Tinto's integration theory. The first year program covered the key elements of the integration theory, social and academic inclusion into college life (Zhang, 2014). The design of the courses reflected the student's major, such as engineering students requirement differed from information technology students (Zhang, 2014).

Stuart, Rios-Aguilar, and Deil-Amen (2014) argued that the traditional application of Tinto's integration theory falters when addressing a community college framework. The community college student encompasses the nontraditional (older in age), living off campus, and working (Stuart, Rios-Aguilar, & Deil-Amen, 2014). Tinto's model relies heavily on the inclusion or integration of student into the college culture, which is absent from a commuter perspective (Stuart et al., 2014).

The effects of student integration (socially and academically) into a college culture directly influence students’ decision to persist (Tinto, 1987). Students who continue to graduation directly affect university finances (Bhayani, 2015). Understanding the dynamics of integration theory by business and university administrators leads to developing strategies to ensure adoption of technology and practices for financial success (Tortola, 2015).

Summary. Three business theories provided the foundation for this study. Complexity theory explains the interaction of components within a system, which eventually develop patterns from a chaotic environment. The competitive advantage theory establishes the business relationship of colleges and universities within the educational system. Lastly, the integration theory explains the student involvement in the college or university system.

Transition and Summary

The focus of this study was on the business strategies used by university administrators to address the financial stability of the institution. In this section, I addressed the business problem and purpose of the study. In addition, I addressed the research problem and nature of the study and provided a supporting literature review. The literature review included the business strategies, retention strategies, and supporting framework theories related to higher educational institutions efforts maintain financial stability. In Section 2, I will provide information related to my involvement in the study as the researcher, participants, research design, data collection, data analysis, and data reliability and validity.

Section 2: The Project

In this section, I will provide a comprehensive review of the qualitative case study design I used for this study. I will begin the section with a restatement of the purpose statement, followed by a discussion of the role of the researcher, study participants, and research method and design. The section will continue with a discussion on the collection process, which will include population and sampling, ethical research, data collection, and data analysis techniques. Lastly, I will conclude the section with a discussion on the reliability and validity of the study.

Purpose Statement

The purpose of this qualitative single case study was to explore the strategies some private university administrators use to sustain the financial stability of their institution. The participants included business administrators at one Ohio university where FTE is between 1,000 and 4,999 students. The outcomes of this study could provide the basis for including strategies for reallocating financial resources to develop cost effective ways of sustaining the financial stability of their institutions. The results of this study could also provide an opportunity for social change through enhanced student, faculty, and administrative engagement at educational institutions leading to new strategies for financial stability. The development of new strategies could result in the reduction in operating costs, increases in endowments, better control of financial aid, and efficient recruitment of students could result. In addition, financially stable institutions of higher education provide secure employment within the community and help to maintain a well-educated public.

Role of the Researcher

A qualitative explanatory case study provides a basis to explain the interaction between the decisional and implementational functions and the resultant effects (Yin, 2014). This type of study seeks to answer the *how* and *why* an outcome or situation developed (Yin, 2014). My role as the researcher in this study was to facilitate the collection of data through face-to-face interviews, archival documents, and physical artifacts. These data sources provided the basis for understanding the phenomenon studied (see Moustakas, 1994).

I have over 25 years of experience in various aspects of information technology. The last 7 years have been spent in higher education as an administrative executive with 5 years of experience as an adjunct instructor. My experience in higher education provided me with a lens to observe the developing campus-wide problems associated with sustaining financial stability through. My educational background provided the ability to participate in research and interpret data accordingly.

However, my association with a university located within the study region and my participation in regional university and college forums elevated the potential for introducing bias into my interactions with the study participants. I consciously monitored my interactions with the participants during the data collection process to maintain objectivity and prevent data manipulation and bias. This self-monitoring and reflection was critical to maintaining objectivity and mitigate bias (see Houghton, Casey, Shaw, & Murphy, 2013). In addition, I followed the basic ethical protocols as outlined in the Belmont Report in conjunction with respect to persons, beneficence, and justice (Belmont Report, 1979).

Participants

The focus of this case study was on the business strategies that university administrators use to address financial stability. I chose Ohio as the geographical study area and selected one university where enrollment numbers ranged between 1,000 and 4,999 FTE and their endowment investments were at least $12 million. This institution was one of 26 Ohio private institutions with at least $12 million in endowment investments as reported to IPEDS 2013 academic year.

Participants for this case study included university administrators at this Ohio university with knowledge of their respective business strategies implemented to influence financial stability. The participants included mid-level and senior administrators. I obtained the administrators' identities from the faculty/staff listings on the institution's website. I contacted the administrators via e-mail to explain the intent of the study, solicit participation, and to build rapport with the potential participant.

A purposeful criterion sampling type provided me with an optimum delineation of the academic institutions I targeted for consideration in this study. The criterion sampling type uses a mixture of criteria or characteristics to choose the appropriate population segment (Grossoehme, 2014; Palinkas et al., 2015). For the purpose of this study, the criteria included private institutions located in Ohio with FTE between 1,000 and 4,999, endowment investments of at least $12 million, and administrators who have been employed in their current position for at least 1 year. University administrators from the selected institution who participated in this study signed the consent form and agreed to the terms and conditions included on the consent form.

Once the selection of participants was finalized, I scheduled the interviews and locations. I conducted the interviews face-to-face, using semistructured open-ended questions. I recorded the interviews to ensure accuracy of the transcribed content.

Research Method and Design

The purpose of this qualitative single case study was to explore the strategies and strategic initiatives that colleges and universities develop and implement to address financial stability. For private HEIs, tuition revenue directly influences the financial stability of the institution (King & Sen, 2013). Since the problem I studied involved answering questions related to the causal linkage between business strategies and financial stability, a qualitative explanatory approach was appropriate.

Method

A qualitative research approach emphasizes an interpretive analysis of social interactions and establishes a measure of diversity within a group (Rehm, Nedeljkovic, Thomas, & Moulding, 2015). The qualitative method employs the use of open-ended questions to delve deeper into the underlying meaning and relationships of phenomenon (Holden & Lynch, 2004). The questions, either through an inductive or deductive form, generate the data for interpretation viewed from a holistic perspective (Rehm et al., 2015).

A quantitative approach contrasts the qualitative objectives by determining definitive answers and the quantifiable relationships of the research variables (Holden & Lynch, 2004; Lindebaum, Jordan, & Morris, 2016). The formation and testing of hypotheses provide the framework for quantitative research (Holden & Lynch, 2004). Since the purpose of this study was to identify business strategies that influence the phenomenon of institutional funding, a qualitative approached was more appropriate.

A mixed method design is more complex with data collection/analysis and requires longer research times to complete (Venkatesh et al., 2013). Time constraints for this study prevented me from using a mixed methods approach. A quantitative or a mixed method approach would be a method of choice for a future investigation to quantify which strategies are most effective to increase university funding.

Research Design

The case study design provides an avenue to view a situation from a holistic perspective as well as an understanding of the complexity of the situational participants (Yin, 2014). The ethnographic design requires the immersion of the researcher in the environment to be studied (Baskerville & Myers, 2015). Based on the involvement requirement, an ethnographic approach was impractical for this study from a time perspective. The phenomenological design focuses on the lived experiences of the participants; however, the nature of this study is to understand decisional strategies rather than human interactions (Grossoehme, 2014; Moustakas, 1994). The narrative design uses a storytelling framework to provide an understanding of a specific situation and so was not applicable to this study (Nasr, Mawson, Wright, Parker, & Mountain, 2016). The case study design met my research expectations and provided me with a means to identify and understand the complexity of the business strategies used by college and university administrators to maintain financial stability.

When collecting data under the case study design, the researcher must collect data from multiple sources (interviews, archival documents, physical artifacts, and observations) for triangulation and ensure that data saturation is achieved (Yin, 2014). For this study, I used the methodological triangulation of interviews, interview observation notes, and archival documents (strategic plans, financial responsibility scores, operational budget reports, annual financial reports, and course catalogs). Data saturation occurs when additional interviews fail to produce any new relevant information or lead to additional themes (Robinson, 2014; Roy, Zvonkovic, Goldberg, Sharp, & LaRossa, 2015). In order to ensure data saturation, I conducted the interviews sequentially, and any issues brought up in one interview not discussed in a previous interview would require that I reinterview the previous participants regarding the new subject (see Brod, Tesler, & Christiansen, 2009; Rubin & Rubin, 2012). This process continued until I reached saturation.

Population and Sampling

The focus of this study was to explore the various business strategies used by university administrators to maintain the financial stability of the institution. I used a purposeful sampling method in conjunction with a case study design to select the participants from the university. The population for this study included four administrators from one Ohio university who contributed to the development and implementation of the business strategies. I limited the sample for this study to four individuals from mid-level and senior-level management positions. The selected individuals comprised varying perspectives on university business, which included academic and business perspectives.

The base framework of a purposeful sampling approach relies on obtaining access to key participants who can share information pertaining to the case study (Robinson, 2014; Roy et al., 2015). In university settings, knowledge of business strategies exists within senior management, which includes the president, provost, chief administrative officer, director of admissions, and other vice president positions. The limited access to the university president required that I concentrate on obtaining interviews with the other university administrators. The purposeful criterion sampling allowed me the selection of participants that had knowledge of the university strategies employed to address financial stability. The sample of four participants may enable the finding of common themes and the potential achievement of data saturation (see O’Reilly & Parker, 2013; Robinson, 2014). The sample included those members of the university administration who were knowledgeable about the topic.

Ethical Research

Qualitative research involves a social component between the researcher and the study participants (Hammersley, 2015). The researcher becomes cognizant of the ethical implications when the research includes human subjects (Hammersley, 2015). The ethical considerations encompass respect, compassion, and integrity of the participants (Hammersley, 2015).

For this case study, my process of ethical research started with approval from the Walden University Institutional Review Board (IRB). I identified the participants by the position title as listed on their respective university or college website. Once identified, each participant received a copy of the consent form. The form included a description of the intent of the study and the mechanism for participation. Participants received no compensation for their involvement in the study. I used encrypted files to store all data collected, personal information, and survey responses and will maintain that data in the same manner for up to 5 years.

I did not reference participants' names and university or college affiliation in the study. I did not provide information regarding other individuals' or universities' involvement to the participants. I coded all references with alphanumeric numbering. Participants could opt out of the survey at any time. Withdrawal from the study could occur through direct phone communication or e-mail. Upon their withdrawal from the study, I deleted all collected data to prevent any potential of inclusion in the outcomes.

Data Collection

Instruments

Case study data exist as participant interviews, observations during the research process, and observations of the participants during the interviews (Yin, 2014). In addition, other sources of data include case study documentation, archival documents, and physical artifacts related to the case study (Yin, 2014). In qualitative case studies where interviews are the primary source of data, the researcher's role exists as the primary data collection instrument (Marshall, Cardon, Poddar, & Fontenot, 2013).

I acted as the primary data collection mechanism for this study using semistructured interviews (Chan, Fung, & Chien, 2013). Semistructured interviews involved the use of semistructured questions. These questions were open-ended, which allowed the participant to provide in-depth responses and provided the researcher with opportunities to probe deeper into the topic (Chan et al., 2013). The semistructured interviews included questions (contained in Appendix B) designed to uncover business strategies developed and implemented by administrators. The interviews included (a) face-to-face interviews with the participants and (b) and follow-up questioning via e-mail correspondence for member checking (Carter, Bryant-Lukosius, DiCenso, Blythe, & Neville, 2014; Harvey, 2015).

I sent a list of the interview questions to the participants prior to the interviews, which allowed participants time to reflect and prepare for the interview. All interviews took place at the participants' institution and with a duration limited to one hour in duration to respect the busy schedules of HEI's administrators. I used the open-ended questions to facilitate a collection of rich knowledge pertaining to financial stability strategies (Chan et al., 2013). During the interview, I used a journal to note observations on changes in body language and other nonverbal gestures to supplement the audio recording of the interview (Shapka, Domene, Khan, & Yang, 2016).

In addition to interviews, I acquired institutional strategic plans and financial responsibility composite scores to supplement the interview data. The financial responsibility composite scores (FRCS) were generated by the Federal Student Aid organization and were based on the audited financial statements submitted by all profit and non-profit higher educational institutions and provided an indication of fiscal responsibility (Office for Federal Student Aid, U.S. Department of Education, 2015). Additional archival documents included operational budget reports, annual financial reports, and course catalogs.

Potential threats to reliability and validity of the data collection instrument could occur through inadequate execution of the interviews or using an incorrect set of measures (De Massis & Kotlar, 2014). Threats to construct or the framework of the study are minimized through alignment of the interview questions with the overarching research questions (Fusch & Ness, 2015; Houghton et al., 2013). To further reduce threats, I used methodological triangulation of multiple data sources (interviews, interview observation notes, strategic plans, and archival documents), transcription validation, and member checking (Carter et al., 2014; De Massis & Kotlar, 2014; Fusch & Ness, 2015; Houghton et al., 2013). In addition, the alignment of the survey responses, follow-up communications, and information from the respective individual college or university strategic plans allowed for added validity (Hammer & Berland, 2014; Pedersen, Hack, McClement, & Taylor-Brown, 2014).

Data Collection Technique

I used face-to-face semistructured interviews to collect data (Chan et al., 2013). I collected the interview responses using a recording device and then transcribed the audio files into text documents (Shapka et al., 2016). During the interviews, I recorded observations on nonverbal communication to supplement the verbal responses (Chan et al., 2013). I conducted the face-to-face interviews following the interview protocol and the questions listed in Appendix B. I provided the interview questions to the participants prior to the interviews. In addition to the interview data, I downloaded the financial responsibility composite scores for years 2007–2014 from the Federal Student Aid website. The schools' websites provided the institutional strategic plans. I used these data sources (a) in-person interviews, (b) FRSC, (c) strategic plans, (d) operating budget reports, (e) annual financial reports, (f) course catalogs, and (g) interview observations for triangulation (Carter et al., 2014; De Massis & Kotlar, 2014; Fusch & Ness, 2015; Houghton et al., 2013).

Prior to participating in the interview, the participants read and agreed to the consent form. The consent form provided information regarding the purpose of the study. I acquired supplemental data through follow-up e-mail communications and retrieval of institutional strategic plans from the participants' respective websites. Upon completion of the interview and transcription of the responses, I reengaged the participant to validate or provide member checking of the results (Carter et al., 2014; De Massis & Kotlar, 2014; Fusch & Ness, 2015; Houghton et al., 2013). I stored all e-mail correspondence, as well as the institutional strategic plans, in encrypted computer files. I backed up the encrypted data file folder to a secure cloud location, ensuring easy data retrieval for instances of computer failure or original file deletion.

I chose face-to-face semistructured interview for data collection over surveys or questionnaires because direct personal communication fosters rich and in-depth responses (Marshall et al., 2013). In addition, I chose interviews since the number or participants are relatively small (Rowley, 2012). In contrast, interviews become a disadvantage when the participant pool is large, seek generalized findings, and collection time is limited (Rowley, 2012).

The semistructured interview format provides a means to maintain a schedule for asking questions (6 to 12) but allows for flexibility to probe deeper into responses (Rowley, 2012). Whereas, structure interviews focus on short responses to many questions and do not probe for in-depth knowledge (Rowley, 2012). Lastly, unstructured interviews become open forums around topics and questioning develops based on the discussion (Rowley, 2012).

Data Organization Techniques

I recorded the interviews using an Android Voice Recorder application and then downloaded to a Windows computer for analysis and storage. Additional interview notes were hand written in a research journal. I used NVivo 11 software to analyze the recordings and provide a means to code and categorize key characteristics (recurring phrases) identified in the participants' responses (Frels & Onwuegbuzie, 2013). The codes and categories build the framework for the developing themes (Frels & Onwuegbuzie, 2013).

I ensured the identity of participants and organizations remained confidential by (a) assigning a letter of A, B, and so forth for each institution, and (b) 1, 2, 3, and 4 for the university administrator. I assigned each participant a file that included (a) their transcribed interviews, (b) any field notes recorded on body language or other occurrences during the interviews that may have influenced responses, and (c) any additional data related to the research process, the participants, or their institutions. I downloaded the FRCS data and store them in corresponding Excel workbooks. I encrypted the computer file that contains the recorded interview files and the Excel workbook files with a secure password to ensure unauthorized access. I stored the file and copies of any personal communications in a computer file directory, categorized by the institution, and encrypted with a secure password. A copy of all data resided on a secure cloud location to ensure all research data would be available for not less than 5 years. I will permanently delete all data once the 5-year period expires.

Data Analysis Technique

I used methodological triangulation for this qualitative case study. The interview questions provided one facet of methodological triangulation. The construction of the interview questions used for face-to-face interviews centered on the research question: What strategies do private university administrators use to sustain the financial stability of their institutions?

In conjunction with the data collected from the interviews, I also collected financial responsibility composite scores, institutional strategic plans, operating budgets, annual financial reports, course catalogs, and participant observations notes that comprised the other facets for methodological triangulation. Triangulation confirms and supports the completeness of the identified outcomes from two methods (Carter et al., 2014; Denzin, 2012). Methodological triangulation supports the completeness of the data from multiple data sources from mixed methods or within the same method (Joslin & Müller, 2016). In addition, methodological triangulation provides an elevated degree of reliability to the identified themes (Joslin & Müller, 2016).

Upon completion of the interviews, I transcribed the audio recordings and verified accuracy. The participants received a copy of the interview transcripts via email to provide transcript review of the content and feedback (Carter et al., 2014; Harvey, 2015; Houghton et al., 2013). I loaded the transcripts into NVivo software, which assisted with the analysis and identification of codes, categories, and themes (Woods, Paulus, Atkins, & Macklin, 2015). I coded the content to determine categories, which led to themes supporting strategies embedded in the interview transcripts (Rowley, 2012).

The interviews from an academic and business perspective potentially allowed for validation of the university business strategies used at the institution (Woods et al., 2015). The strategic plans provided documented validity to the strategies offered by the participants during the interviews (Woods et al., 2015). Whereas the financial composite scores and annual financial reports supported the themes tailored for maintaining financial competence (Gale, Heath, Cameron, Rashid, & Redwood, 2013). The information from the operational budgets and annual financial reports provided an indication to effectiveness of both short and long-term strategies. The course catalogs supported specific changes associated with product-oriented strategies. The themes also supported the conceptual framework of the study, which builds from the complexity, competitive advantage, and integration theories (Gale et al., 2013). Ultimately, the themes translated to the strategies developed and implemented by the HEIs to provide institutional financial stability (Joslin & Müller, 2016; Rowley, 2012).

Reliability and Validity

Reliability

Dependability references the ability to reproduce the study and achieve similar results (De Massis & Kotlar, 2014). Reliability of qualitative research aligns with the process of managing the information collected during the research process (De Massis &

Kotlar, 2014). The documentation and representation of the management process transpire as an audit trail (Houghton et al., 2013). The audit trail, which included the case study background, conceptual framework, methodology, data collection process, and theme identification, outlines the researcher's process throughout the study (Houghton et al., 2013). The audit trail provided support for the dependability and confirmability of the study (Houghton et al., 2013). This audit trail provides other researchers confidence and a sense of quality and transparency that the researcher's conclusion of the study aligns with the collected data (De Massis & Kotlar, 2014; Fusch & Ness, 2015; Houghton et al., 2013). I further addressed dependability and confirmability through member checking and NVivo query validation. The NVivo query functionality allowed me to confirm the thematic results to be reflective of all participants rather than from one participant's interview response (Houghton et al., 2013).

Data saturation occurs when the same themes reoccur during data analysis (Fusch & Ness, 2015). Data saturation also occurs when the depth or richness of the data is achieved (O'Reilly & Parker, 2013; Roy et al., 2015). I interviewed four participants from one Ohio university, achieving data richness by using probing questions. I conducted the interviews sequentially to ensure data saturation through readdressing new topics with previous participants (Brod, Tesler, & Christiansen, 2009; Rubin & Rubin, 2012). This process continued until I reached saturation.

Validity

Validation of the study occurs through comparison of interview responses among the participants as well as member checking of the interview responses to address dependability (Carter et al., 2014; Harvey, 2015). Methodological triangulation between the interviews outcomes, composite scores (institutional financial responsibility), strategic plans, researcher notes, and archival documents provided a more comprehensive view of the study (Carter et al., 2014). The triangulation of the data confirms consistency and provided a higher degree of credibility to the identified themes (De Massis & Kotlar, 2014; Yin, 2014). The transferability of the study indicates the applicability of the outcomes to other similar situations or events (Houghton et al., 2013). The transferability relies on the premise of accurate representation of the case study through case description, methodology, data collection, and data analysis (Houghton et al., 2013). I enhanced the transferability of the study through detailed descriptions and left the transferability of the study up to future researchers (Houghton et al., 2013). In addition, the validity of these elements provides the applicability to similar case studies (Houghton et al., 2013).

Transition and Summary

The purpose of this qualitative study was to explore the business strategies developed and implemented at private colleges and universities to improve the financial position of the institution. In Section 2, I discussed the role of the researcher, participants, method and design, data collection techniques and organization, and ethical research.

Section 2 concluded with a discussion on reliability and validity of the research study. In the following section, Section 3, I will begin with a restatement of the purpose statement and research questions. In the remainder of Section 3 I will discuss the research findings, application to professional practice, implications for social change, and recommendations for action and future research. Section 3 will conclude with a discussion on experiential reflections and the conclusion of the study.

Section 3: Application to Professional Practice and Implications for Change

In this section, I will provide a comprehensive review of the qualitative case study design used for this study. I will begin the section with an overview of the study, followed by a presentation of the findings, application to professional practice, and implications of social practice. I will then provide recommendations for action, recommendations for further study, and reflections. Finally, I will close the study with the summary and study conclusions.

Introduction

The purpose of this qualitative single case study was to explore the strategies some private university administrators use to sustain the financial stability of their institution. I conducted the interviews in-person at a location designated by each participant. Each participant signed a consent form (see Appendix A) prior to answering any Walden University IRB-approved interview questions (see Appendix B; IRB approval #: 08-23-16-0357934, expires on August 22, 2017). I used an Android audio recorder to record each interview for later transcription. I analyzed the transcriptions using NVivo 11 software.

I selected four participants from a group of university administrators using purposeful sampling. Each participant had been at their position for at least 1 year and had knowledge of departmental and university business functions. I constructed the semistructured questions (see Appendix B) discussed with each participant to support the primary research question of: What strategies do private university administrators use to sustain the financial stability of their institutions? Each participant elaborated on responses to each question that resulted in my uncovering of strategies used by university administrators to control financial stability.

I uploaded the data collected from the semistructured interviews, archival documents (strategic plans, financial responsibility scores, and operational budget reports), and observations into NVivo 11 for analysis. The NVivo software provided a mechanism to help me code and identify themes. Four themes emerged in support of the research question: (a) budgetary controls, (b) a shift in marketing strategy, (c) creating value, and (d) competitive environment.

Presentation of the Findings

Summary of Findings

The findings of this study are consistent with the purpose of this study and supported by the conceptual framework of complexity theory. The overarching research question for this study was: What strategies do private university administrators use to sustain the financial stability of their institutions? Table 1 is a summary of the themes that emerged from the data along with the supportive business strategy or theory from the literature review.

Even though the university business environment exists as a complex workplace, each entity works in conjunction with other members of the university system. This concept supports the underlying conceptual framework of complexity theory (Hartmanis & Stearns, 1965; Kauffman, 1996; Kodeih & Greenwood, 2014). In addition, a complex system, such as a university environment, incorporates the use of integration theory and competitive advantage theory, as well as a variety of business strategies to create a working and financially stable business.

Table 1

Summary of Themes

Theme	Supportive business strategy or theory
Budgetary controls	Administrative focus, competitive advantage theory
Shift in marketing strategy	Differentiation, marketing focus, integration theory, competitive advantage theory
Creating value	Differentiation, customer relationship, integration theory
Competitive environment	Competitive advantage theory

The findings of this study further offer university administrators' varying perspectives for addressing financial stability during times of potential instability when the decline in enrollment creates a decrease in revenue. Participants recommended (a) reducing expenditures through budgetary cuts, (b) curtailing spending and focusing marketing campaigns and avenues towards specific goals, and (c) redirecting funding to expand profitable programs. For nonresearch, educational institutions that rely primarily on tuition revenue, administrators need to focus on strategies that maintain and increase the influx of student revenue: (a) expand into online course delivery and (b) use target marketing to increase enrollment for in-demand or new programs.

Short-term budgetary controls provide administrators with quick financial control but cannot sustain the institution for long-term. In addition, administrators need to consider other mechanisms, including ways to market to prospective students and building a perception of institutional value to the student through avenues such as the institutional website, social media, and traditional print. These strategies help increase the position of the institution within the higher educational competitive market as well as provide short-term and long-term strategies to maintain financial stability.

Theme 1: Budgetary Controls

Budgetary controls emerged as a significant theme from the data, indicating how university administrators react to flat or lower revenue expectations. The participants' responses indicated that the focus on the operational budget becomes a short-term strategy to help maintain financial stability. This strategy exists as a reactive strategy once enrollment numbers emerge. The budgetary control exists as a proactive approach when used against projected enrollment revenue.

All participants indicated that there was a continual focus on monitoring expenditures and changes to purchasing products and services and reducing or eliminating some types of spending. Participant O1A indicated, "We have done budget cuts and we hired a purchasing coordinator." Participant O2B stated, "There has been some tightening of belts so to speak, and we all have to more responsible and creative in terms of maximizing our dollars spending a little more frugal and try not to cut much."

Participant O3C commented, “Make everyone cut their budget . . . I would say 5 years ago we went to a zero-based budgeting process where every department has to start over again and basically justify their expenses in detail.” Participant O4D emphasized, “Good fiscal management, good budgetary management, I think is really crucial, and in my mind, the reduction of long-term debt rather than taking on the debt to make up for deficits in enrollment.”

In addition to budgetary cuts to reduce operational expenditures, there was a focus on expanding revenue streams for the university. All participants considered private gifts, grants, investments, and rentals as a way to contribute revenue to supplement university operations. Participant O3C’s statement sums up the participants’ view on other sources of revenue feeding budgetary controls:

> Increase in our rentals of our facilities is a thing that we have kind of used to help bridge that flat enrollment, that’s one area. Still gift contributions, not so much for our operating budget but to fund special projects like buildings, and even as much as, well mostly buildings and scholarships, trying to build up our endowment to help with the financial aid side of it.

These revenue streams allow for supplemental income during times of lower enrollment revenue.

The interview data revealed that all participants indicated mandatory changes to departmental budgets and acknowledged the presence of other revenue streams. The participants’ comments aligned with the institutional strategic plan referencing management and enhancing fiscal resources, maximizing revenue-producing sources, and expanding online course offerings (see Table 2). Participant O1A stated that “being smart with our investments and how we are spending our money” contributed to budget management.

Table 2

Strategic Plan References

	Theme			
Strategic Plan Reference	BC	SMS	CV	CE
Manage and enhance fiscal resources	X			
Maximize revenue-producing sources	X			
Build awareness of mission and legacy through campus events			X	
Optimize marketing of the university in varied media		X		
Partner with local entities to enhance the “college town” feel		X	X	
Focus recruitment and retention on mission-centered diversity		X		
Increase online programs and courses to meet regional to national needs	X			X
Secure strategic alliances to promote diverse, empowering online offerings	X			X
Create a formal publication that showcases and promotes the student experience outside the classroom		X	X	X
Implement evidence-based teaching practices			X	X
Assure that every student experiences a meaningful internship		X	X	X
Provide more embedded experiences in community or global settings		X	X	X
Develop a network of off-campus mentors for jobs		X	X	X
Establish priorities for new program areas			X	X
Continuously reinforce diversity as integral to the university mission		X	X	
Make students from diverse backgrounds feel part of the community when being recruited			X	
Develop facilities at community sites to anchor our service learning presence and foster collaboration				X
Use sister schools to expand study abroad				X

Note. Abbreviations: BC = budgetary controls; SMS = shift in marketing strategy; CV = create value; CE = competitive environment

Table 3 is a review of the university budget summary document (fiscal years 2011–2016). The budgetary data provided evidence supporting that the university operated with a positive surplus as a result of budgetary cuts. Participant O1A stated, “We met our revenue and the way we were able to that with the decrease in enrollment is because we spent less money on these students.” In addition, the responses relating to budgetary controls aligned with the reactive and proactive strategies that Alonso-Almeida et al. (2015) discussed in order to maintain financial stability. Lastly, the university operated in a fiscally responsible manner over the last 6 years (see Table 3). Participant O3C commented that the university “had a very stable financial position over the last 5 years even with enrollment in our undergraduate fulltime being flattening starting in 2009.”

Table 3

Operating Summary

	Fiscal Year					
	2011	2012	2013	2014	2015	2016
Total Revenue ($)	62,633	66,558	69,842	73,127	74,370	76,239
Total Expenditures ($)	60,260	66,109	69,062	72,649	73,950	75,705
Operating Variance ($)	2,373	449	779	479	420	534
Financial Composite Scores	3.0	3.0	3.0	3.0	3.0	3.0
Enrollment	2913	2903	2963	2919	2860	2845

Note. Dollar values in 1000s; Financial composite scores range from negative 1.0 to positive 3.0. A score greater than or equal to 1.5 indicates the institution is considered financially responsible.

The participants were from different administrative groups that operated independently and were not dependent of the output or outcomes of any other group. However, each group operated to support the larger umbrella workings of the institution. As university-wide mandates such as budgetary cuts or strategic initiatives were imposed, the internal workings of the groups developed and operated with similar goals within the complex system of the university (see Hartmanis & Stearns, 1965; Kauffman, 1996). Participant O3C offered that we “make everyone cut their budget . . . 5 years ago we went to a zero-based budgeting process where every department has to start over again and basically justify their expenses in detail” in order to balance the operational budget every year.

Theme 2: Shift in Marketing Strategy

A shift in marketing strategy emerged as a second theme from the data, indicating that a change to marketing efforts was in development to focus on attracting new students. The responses to Interview Questions 6, 7, 8, and 9 contributed to the identification of this theme. I posed these questions to the participants in order to uncover information related to increasing revenue, reducing costs, creating a competitive advantage, and aligning with the university strategic plan. The participants’ comments related to this theme aligned with my findings in the literature review that engaging students through different avenues increases potential for additional revenue (Vianden & Barlow, 2014) and supporting a marketing focus strategy.

Participant O1A stated, “It’s how we recruit the student and what type of student we are recruiting” that makes a difference on which students attend as well as “not necessarily going into markets where we don’t see the return on investments.” Changes occurred at various points of contact with the prospective student. Participant O2B stated:

> Redesigning the website had to do with maximizing ways we can capture leads in [a] more efficient manner, so that’s one. And another is a big push for the CRM is to keep the short forms on the website because we’ve got them everywhere, and the goal of that has been to capture leads in a much more sorted sales and marketing type of way than we have ever done before. So, lead generation on the website has been huge. We have done a lot, but I would say that is the biggest thing I have observed, just that shift to the online arena. That’s not to say that we still won’t do traditional mass media, but a lot more emphasis is placed on the online world right now.

In addition to redesigning marketing strategies, marketing resources and determining where to market play a major role in attracting new students. Participant O2B commented that “pooling all these dollars [marketing] together, we can do one media buy and I can cross-promote all of our different sources . . . invest a lot more dollars in digital and online marketing.” Participant O2B suggested that a smarter marketing strategy can now focus on the new generation of student where “everything is very much mobile, slanted online.”

In conjunction with the changes in marketing strategy, I observed the importance of collecting market research data on what and where to market the university's programs. Participant O4D indicated that "I think we are also getting smarter about how we do some market research. And this year we commissioned an external company to do a market analysis for us of high demand programs." Participant O4D added that of the "market research we've done, we did with a specific eye to which online programs should be financially viable for us."

As the educational market constricts and competition increases, marketing strategies need to change accordingly. Vianden and Barlow (2014) expressed the needs for managing the relationships with prospective students. The interview data indicated that Participants O1A, O2B, and O4D understand the importance of marketing in a way that maximizes outcomes while being conscious of financial expenditures.

My review of the university website indicated that the university addressed relationship management through a redesign of web marketing strategies, target marketing or individualized marketing using a CRM, and addressing the needs of the new generation of student. The home page of the university website referenced the affordability of the institution through grants and scholarships as compared to public universities. Participant O2B stated that the "infographics that you see on the website and in a lot of our advertising will actually say after grants and scholarships the average residential student pays . . . per year."

Additional marketing items from the website referenced outcomes, such as graduation rates, compared to national and local public institutions. Participant O1A commented that “it can’t all be about money, can’t all be about the dollars, so you have to sell the value” in order to distinguish the university from the competition. The efforts of target marketing existed on the university website for program specific enrollment such as nursing, physical therapy, education, and new programs in engineering. Participant O4D stated, “For example, things like are 3 + 2 engineering partnership should increase revenue and it was a way to develop a high demand programming in engineering.” The changes in marketing efforts throughout the website included easier accessibility to request for information and application forms hosted by a new CRM system.

The university strategic plan supported this theme, which emphasized the optimization of marketing utilizing varied media (see Table 2). The strategic plan addressed marketing efforts directed at developing campaigns to show prospective students the value-added experience gained when attending the institution (see Table 2). Participant O1A stated that “parts of the strategic plan are to attract students and staff who live the mission and that been a big part of our marketing strategy.” In addition, the strategic plan emphasized the need to market a global value perspective to prospective students (see Table 2). Participant O2A commented that “through global learning opportunities, …that they are going to get the transformation experience and that certainly is the intent of our strategic plan.”

In addition, this theme is supported by the complexity theory framework, as the participants represented different university groups or perspectives working independently of each other but eventually developing relationships to address common university needs (Hartmanis & Stearns, 1965; Kauffman, 1996). Participant O1A stated, “We have been able to be stable because we have made changes in other areas for example, we have done budget cuts and we hired a purchasing coordinator. So, we have done things to help stabilize us.” Participant O2B offered, “One of the really nice things about [the university] is that it doesn’t take years to make change around here. We make changes happen fast compared to other universities.”

Theme 3: Creating Value

Creating value emerged as a third theme from the data, indicating a move to instilling institutional value as a recruitment tool. The responses to Interview Questions 3, 5, 8, 9, and 11 contributed to the identification of this theme. I posed these questions to the participants to uncover information related to increasing the competitive position of the university as well as the barriers to developing new strategies. This theme aligned with the literature review that a *differentiation* business strategy creates a competitive advantage (Porter, 1998). Also, the integration theory supports the push to get the student to feel that they will be part of the university culture and aligns with the university strategic plan which emphasizes the development of a transformative student learning experience. Participant O2B stated that the:

> Vice President of Academic Affairs . . . really wants students [to know] that they are going to have a transformational experience when they come here. That is why wait till you graduate from college to start changing the world, why not start changing the world while you are here.

Deciding to attend a university is not always dependent on the cost of a credit hour or room and board expenses. The perceived value of the institution from a physical, academic, and personal perspective plays a major role (Jaquette, 2013). Participant O1A stated, "When you are able to add something physical to the campus where we know that we may get students because of that facility," directly influences the students' perception of the institution. Sell the value of the institution to prospective students by promoting the mission of the university. Participant O1A offered, "Knowing who we are as an institution still holding to the mission and making sure we are providing for those students who are coming in traditionally still offering them the right experience on campus." Additionally, Participant O1A stated:

> So, we have to be creative. We have to, it can't all be about money, can't all be about the dollars, so you have to sell the value. Because we are not going to be able to compete financially with some of the schools, even looking 50 years down the road, they are still 50 years older than we are and have that money built up. So, I think it is all about value and again outcomes. So, a lot of times what we are trying to do is, ok, maybe you will spend an extra 1000 dollars a year to be here or

> 5000, but this is what you are going to get. And that is what it all comes back to is that they have to see the value of their investment.

The experiences that students engage in become key to turning those students into a revenue stream for the university. Participant O2B offered the following comments towards promoting the experiential aspect of the university:

> Another strategy from a grand standpoint is just talking about the culture of [University] because time-and-time again based on all the research and focus groups, and one-on-one interviews we've done. The one resounding theme though that comes through is how welcoming the campus environment, and how the faculty bend over backwards for the students, especially in the graduate and nontraditional side. They are just so accommodating. So, we always strive to talk about that as a unique side proposition for us. And then of course, I would be remised if I would not say our Catholic identity, because it's who we are, nobody else has our story, we are the only ones that do, so it has to be part of our marketing and has to be part of the unique selling proposition. So, the whole idea of giving them a transformational experience through service learning opportunities, through global learning opportunities, through just being here and experiencing sort of the [University] charism, so to speak. That they are going to get the transformation experience and that certainly the intent of our strategic plan.

Overall, the goal of attracting new students is establishing a value-added perspective. The cost of education is a factor, but a perceived value, as stated by participant O4D that "there has to be compelling reasons in addition to finances, there has to be compelling reasons to want to say, study nursing at [University] versus nursing at a competing institution."

The marketing efforts on the university website and the university's strategic plan supported the participants' comments referring to a value-added experience that needed expressed to prospective students (see Table 2). Participant O1A offered, "It is all about value and again outcomes." The university website explicitly outlined the value of attending a private university through improved graduation rates, employability, experiential learning, and global learning opportunities. The strategic plan highlighted building awareness of mission and legacy through campus events, provide new teaching practices, meaningful experiential learning, and internship experiences (see Table 2). In addition, the complexity theory framework supported this theme where the participants represented different university perspectives, working independently of each other, and interacting together to develop a common value-added initiative.

Theme 4: Competitive Environment

A competitive environment emerged as the fourth theme from the data, indicating an acknowledgement that other colleges and universities are competing for the same prospective student. The responses to Interview Questions 3, 5, 7, 8, and 11 contributed to the identification of this theme. Even though Question 8 focused on the university views in regards to market competition, responses from the other questions revealed additional factors in developing a basis for this theme. The competitive environment theme aligned with the literature view of Porter’s (1985) competitive advantage theory. This theory becomes the overarching theory and supported by the strategic themes discussed earlier in the literature review. In addition, review of the university course catalogs supported the move towards becoming a more competitive university and aligned with the university strategic plan, which emphasized development of dynamic programs to meet market demand.

The university administrators identified that there are competitors within the localized area that are competing not only for tuition revenue but for other funding opportunities. Participant O1A stated:

> Ohio isn’t doing well economically we are going to see that. Because we are all fighting typically for the same dollars, going to the same companies, same nonprofit institutions in Ohio to get their support so we are going up against every other institution in Ohio to get that grant money or to get those donors.

By knowing the pricing structure of the competition, the university maintains a competitive foothold in the market through adjustments in costs and programs. Participant O1A added:

> We are still at the level we should be when we are looking at our competitors. So, for example when we are looking at total cost, we know where we want to be, we know what level we want to be at and what schools we want to remain in that tier.

> And so, for example this year when we were setting total cost we want to be under that $40,000 mark.

Exceeding the pricing model from the competition causes the additional selling constraints on justifying the higher cost as indicated by Participant O1A. “Our competitors are not going over $40,000, so how are we to go over $40,000 and still have the same kind of sell on what type of institution we are.”

Along with the base pricing model and discounting, and financial aid dollars play a major role in equalizing the competition. Participant O2B stated:

> Well a lot of what we do is to even get into the consideration set with a lot of the prospective students, they are looking at the Akron U’s, they are looking at the Kent State’s and they’re thinking I am not even going to consider [University] because they are way too expensive. Akron U has a lower [*sic*] sticker price.

Participant O1A added:

> Competitors and their ability to discount is the number one barrier for us. We are a young institution and when we are going up against other competitors and they may have a set tuition, fees, and total cost and they may discount potentially like us and might have the same parameters. But when they are able to use their endowed scholarships and their institutional dollars because they have more of it because they are typically an older school. It impacts us significantly and that is a huge barrier for us. So, that is something we are up against all the time is that we

> are a young school and we just don’t have those endowed dollars built up like some of our competitors do.

The university administrators monitor their position in relation to base pricing, discount levels, and financial aid dollars from endowments and institutional dollars in order to be competitive in the higher education market. In addition, to be competitive, the institution looks to expand programs as well as occupy a niche market. Participant O2B offered:

> Even though we are investing in online learning, for the most part we are still a brick-and-mortar traditional institution. For the growing number of audience that wants to just jump in to the Community Colleges of the world, that is obviously a concern for us because our pool is getting smaller.

Participant O3C stated:

> Us trying to move online, we realized that. I was told this past week that the high school graduates, which is where we get 80% of our freshman class from the State of Ohio, the number of graduates in the State of Ohio is going decrease from up to 3-4% over the next 5 years. So, if we just stay flat, we’re still trying to get a bigger piece of the pie, which you can’t if your programs aren’t progressing. It’s not going to happen. So, we need to take things online because that’s what, especially in our adult learners [want] in the SPS program.

Participant O4D added that “We’ve looked at creating some new programs, which we know that are in high demand and try to do so at that low cost. So, for example things like our 3 + 2 engineering partnership." Participant O2B offered a statement on how this institution creates a competitive advantage by operating within a niche market in higher education stating:

> I would be remised if I would not say our [religious affiliation] identity, because it's who we are, nobody else has our story, we are the only ones that do, so it has to be part of our marketing and has to be part of the unique selling proposition. So, targeting [religious affiliation] high schools and [religious affiliation] organizations, and catholic trade publications, and what have you, is always going to be part of our marketing mix, but and attracting those students that are faith based and aligned with our mission.

Participant O2B's response exemplified the ability of this university to maintain a competitive advantage.

> We make changes happen fast compared to other universities. I think that is a huge asset for [University] because in terms of new program development, in terms of exploring programs going online, in terms of building and landscape, the physical landscape of the university, once we make a decision, things will be happening pretty quick. And I think that is a huge asset and I think that is how we can remain competitive in the future because we are so adaptable to change and we can make changes happen at a faster pace than our peers.

The participants' responses referred to a common need of developing and maintaining a competitive position within higher education. As earlier indicated from the data in Table 3 and Table 4, the university maintained fiscal stability, which becomes a key factor for competitiveness. A financially failing institution struggles at attracting prospective students. In addition, the course catalogs, as well as the website, reference the creation of new majors and online curriculums that are in demand by students. These include majors such as Occupational Therapy, Family Nurse Practitioner, Engineering, Masters of Education, Masters of Business Administration, and Communications.

The university strategic plan supports the competitive environment theme. The referenced increasing online programs and courses to meet regional to national needs and develop strategic alliance to facilitate online learning (see Table 2). In addition, the strategic plan emphasized assuring that every student experiences a meaningful internship, provide local and global experiential learning, and develop facilities to support these initiatives (see Table 2).

All participants provided statements that supported the complexity theory framework where interconnected relationships develop and interactions exist in a nonlinear complex system such as a university environment. Participant O1A referred to hiring a purchasing manager, evaluating of programs, and maintaining campus facilities. Participant O2B commented on student support, marketing campaigns, campus facilities, and academic programs. Participant O3C commented on academic programs, online offerings, and fund raising. Participant O4D referred to instructional labor costs, academic programs, and institutional culture. These participants represented different groups and perspectives of the university. Each group worked independently at managing and optimizing group performance. These groups were not dependent on the outcomes of another group but became interconnected through common goals such as controlling expenditures, expanding programs, marketing to new students, and maintaining campus facilities while moving the university forward as a market competitor.

Applications to Professional Practice

University administrators at private nonprofit colleges and universities who are experiencing flat or declining revenue may benefit from the findings of this study. University administrators continually struggle to maintain financial stability as the pool of available applicants diminishes and with the threat of institutional closures (Altundemir, 2012; Frey, 2013; Leach, 2013; Snyder & Dillow, 2015). There is a need to analyze the current strategies in use in conjunction with university Big Data to drive university efficiencies (Daniel, 2015). The outcomes from this study provided direction on how administrators at one Ohio institution tackle the problem of revenue loss from declining enrollment. The themes emerged to provide evidence of the application of business practices to a nonprofit private educational environment.

University leaders should approach their respective institutional as a true business entity and look to business strategies and theories to shape the stability of financial framework long-term. The use of quick budgetary controls offers short-term relief. However, other strategies such as differentiation, marketing changes, and value creation help to create a competitive advantage within a complex system.

Implications for Social Change

The purpose of this qualitative single case study was to explore the strategies private university administrators use to manage financial stability. Poor financial management resulted in an average of 13 institutional closures per year over the last nine years with increased closures looming (Altundemir, 2012; Frey, 2013; Snyder & Dillow, 2015). The findings of this research provide information to potential struggling institutions by sharing the strategies implemented by one Ohio university to counteract decreased tuition revenue.

Faculty, staff, and students benefit from a financially stable institution through employment opportunities and increased financial aid, thus lowering student debt. The university can be a key business for the local community. A university that maintains fiscal stability directly affects the local economy through employment opportunities, taxes, and business patronage.

Recommendations for Action

The purpose of this qualitative single case study was to explore the strategies private university administrators use to manage financial stability. The findings confirmed that university administrators should implement business strategies to control the financial aspects of the university. These strategies include: (a) administrative focus on budgetary controls, (b) differentiation through academic programs, university mission, and culture, (c) marketing focus with targeted campaigns and presenting a value-added perspective, and (d) customer relationship through student engagement, integration into the university culture, and ensuring a value-added education. Other university administrators can use the findings of this study as a starting point, aligning with their overarching strategic plan and university mission, to move their university towards financial stability.

At the least, university administrators should come together to discuss common strategies across all facets of the university and how they align with the university's long-term strategic plan. I will provide a summary of results and findings of this study to the participants. In addition, I will disseminate the results of this study through a scholarly publication or conference where applicable.

Recommendations for Further Study

This qualitative single case study included a limited number of participants. A recommendation for further study is to extend the sample size to include multiple colleges and universities from a larger geographical area. In addition, extending the research across nonprofit and for-profit institutions could provide insight on how strategies change across sectors. Also, I recommend extending the research to incorporate a quantitative analysis on the long-term impact of university strategies as compared to actual revenue increases in order to gain insight on effective business strategies.

Reflections

The DBA experience was a daunting journey. It had been over 20 years since I have finished my master's degree thesis at a brick-and-mortar university. It took time to acclimate to an online learning environment as well as developing time management skills to balance work and education. I looked to extend some of the research concepts I acquired during by thesis research in my DBA study. However, a doctoral degree requires a much higher level of research and knowledge accumulation. I did come into the program with the preconceived notion that a quantitative study was more valuable than qualitative study. By the end of my research, that preconceived idea vanished after realizing the value that qualitative data can bring to the table.

I conducted the research in an academic environment of where I work, which creates a potential for introducing bias. Since this was the case, I needed to take extra caution during face-to-face interviews to ensure participants responded to questions in a truthful manner. Encouraging deeper in-depth responses without bias responses became challenging.

Data from the interviews became daunting at times to determine themes. I attribute this to a quantitative mindset. However, as I looked at the data from different angles, as well as an outside perspective, themes emerged and study came together. I gained knowledge about the strategies that university administrators use to influence areas under their control in conjunction with the university strategies. In the end, the misnomer that nonprofit private universities do not operate as businesses is incorrect.

Summary and Study Conclusions

The purpose of this qualitative single case study was to explore the strategies private university administrators use to manage financial stability. With the downturn in the educational market, private universities are experiencing less revenue from enrollment and have seen on average, 13 universities close each year, with that number to rise by 2030 due to financial constraints. The research question that guided this research was, what strategies do private university administrators use to sustain the financial stability of their institutions? I collected data from four participants using face-to-face interviews at one Ohio university. Four themes emerged from the analysis: (a) budgetary controls, (b) shift in marketing strategy, (c) creating value, and (d) competitive environment. These themes linked back to business strategies and theories, which supported the fact that university administrators use business techniques to maintain financial stability.

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