Leveraging Core Competencies:
Partnerships in Student Housing

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Abstract

Student housing is increasingly important in attracting and retaining students, and in contributing to the quality of their experience at school. An increasingly popular method for providing student housing is outsourcing (service or facility provision from an outside party) because of its ability to: increase efficiency; positively impact financial performance; and to allow the institution to focus on its mission and core competency – teaching and research. This study examines institutional and private sector student housing providers’ perceptions and attitudes of outsourced housing in order to align the interests of the two groups to improve the effectiveness of such partnerships; it suggests that both entities must elucidate and communicate their goals to their partner in order to be successful.
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Research Question

What factors impact the likelihood of success, and how is that success defined, in partnerships between higher education institutions and private sector entities formed to create or improve student housing?
Rationale

Resolving the Master’s Project question is important because it will increase the body of knowledge surrounding the growing practice in higher education of outsourcing campus services and facilities by focusing on outsourced student housing. Gaining an understanding of how the university community and the business community work together to achieve common and separate goals may help to identify factors necessary for outsourcing to succeed or pitfalls to avoid, which can be applied when implementing future projects using outsourcing.

While student housing may not play the same role as academics in defining an institution, there is no question that it is an important factor in the student experience and in university life in general: “Do dormitories, libraries, academic buildings, and student unions really help colleges recruit — and keep — students? A new study sponsored by the Association of Higher Education Facilities Officers says the answer is a clear-cut yes” (June, 2006a). Not only does housing impact student decision making, it can impact the students’ well-being: “The environment in which students live has had a direct impact on the students' overall wellness level. Students who lived in environments that were conducive to learning and provided ample study space and opportunities for growth and interaction tended to have had an easier time adjusting than students who lived in other environments.” (Enochs & Roland, 2006)

As the academy increasingly turns toward the business world to accomplish tasks which are key to an institution’s operation, it becomes more important for university administrators to understand how best to create and manage such partnerships.

Colleges and universities have been looking to the private sector to house students since the earliest days of the University of Cambridge in the thirteenth century; the young scholars at Cambridge were typically housed in local hostels or private homes (University of Cambridge,
This practice was also found on American soil, establishing important relationships between the institution and the surrounding community. In the nineteenth century, one college, justifying a decision not to build their own dormitories but rather to have students live in town, argued that doing so would promote a connection between the town and the school, increasing the town’s investment in the school by virtue of self-interest; this decision reflected common policies put in place in that era by college trustees and presidents (Potts, 2007, p. 174).

Interviews conducted during the course of this research demonstrate that outsourced housing has been practiced in its contemporary form for about a decade and that some of the companies have been engaged in various forms of privatized housing for much longer than that. Despite this history, mention privatized housing to many higher education administrators, and all you get is a blank stare.

The primary reason to outsource typically cited by college administrators is financial: “‘cost savings’ and ‘revenue generation’” were the two most popular motivations for outsourcing in 2005 (Gose, 2005a). In addition, outsourcing grew out of the corporate practice of restructuring businesses to refocus on mission (Moore, 2002), which can be a boon for colleges and universities as well as more traditionally business oriented operations. Although applying business practices to the university setting is sometimes met with skepticism, it has been argued that increased funds (such as the available capital and the cost-savings made possible through privatization) allow an institution to refocus on the educational mission (Zemsky, Wegner, & Massy, 2005). Outsourcing can bring financial and operational benefits that ultimately touch all areas of higher education and anything with this much potential to affect the industry should be fully understood. This research is intended to be used as a bridge to align the interests of the
Partnerships in Student Housing

private sector student housing community and the higher education community so that the two groups might work more effectively together to achieve their goals.

Although some research has been done on the practice of outsourcing, “comprehensive data about outsourcing is hard to come by” (Gose, 2005a), particularly literature from after 2005. Some of the private sector companies and institutions involved in outsourcing for a variety of services on campus have produced some research, but these tend to focus mostly on an overview of outsourcing in general and examining how institutions should decide whether or not to outsource. The decade of experience with outsourced housing has taught some important lessons, and this Master’s Project will attempt to create a source of information about privatized housing by bringing together the expertise and experience of practitioners in the field in order to suggest effective ways to build a quality partnership to successfully create or improve housing for the university community. As one higher education administrator explained:

“I think that the university … has to be willing to really look at private developers as an option. They are not a trend, they are not something that just popped up and will be gone in ten years. If we don’t really look at it and figure out how to partner and how to make it work we could very well lose the students we have because they will go and flock to these places because the students look first at what it looks like, does it feel like home, is it kind of cool and neat? They don’t care so much about how the program is run and those kinds of things. So we have to be able to work with them.”

This suggests the importance of effectively managing privatization in higher education; the goal of this research is to reveal some of the ways this might be done.
In order to describe the key characteristics of such a private sector-institutional partnership, it is important to have a foundation for understanding the existing research on a number of related topics. The following literature review is intended to provide that foundation through an exploration of the role of student housing, outsourcing, and partnerships.
Literature Review

Introduction

The primary focus of colleges and universities is teaching and research: professors “influence students’ development as young scholars, as good citizens, as human beings” (Light, 2001, p. 104) and “the advancement of basic knowledge, the special province of universities, should now be recognized as a national asset of inestimable value” (Geiger, 2005, p. 65). Despite this, the auxiliary functions of a campus are unavoidable: students and parents look to institutions of higher education to provide many services and facilities beyond engagement in the classroom. Perhaps the most significant auxiliary function for many institutions is housing: “For each student, the tone of college life is set early. Much of that tone depends upon roommates, neighbors, and dorm supervisors. Again, living arrangements go a long way” (Light, 2001, p. 177). Even if such seemingly extraneous tasks – restaurant management, selling books, and grounds keeping, to name a few – are not the primary focus of a college or university, their operation can still have an enormous effect on a school and their execution can be driven by mission in addition to customer demand.

Because of this dichotomy between an institution’s focus on academics (arguably its distinctive competence) and the institution’s need to provide ancillary services, institution’s have increasing looked for more efficient strategies for providing these services. Increasingly, college and university administrators are putting “non-mission-critical functions” (Bushman & Dean, 2005) in the hands of the experts through outsourcing1. An understanding of outsourcing and how to successfully implement such a partnership is important for the higher education

1 The terms privatization and outsourcing, which evolved from contract management, are often used interchangeably. Although not strictly the same thing, these arrangements are also referred to as public-private partnerships (PPPs). Newer practices growing out of these concepts are “corporate service providers, auxiliary-vendor relationships … and corporate partnerships” (Moore, 2002, 40). The number of labels for this practice illustrates the variety of partnership agreements that exist for outsourcing.
community because it has the potential to affect many facets of campus life, such as through its impact on the budgeting process. As the literature review and research will show, these partnerships become even more important when outsourcing is used for functions that might be considered “mission-critical,” such as student housing.

In order to identify and evaluate the factors which impact the likelihood of success of university-developer partnerships to create, improve, or manage housing to serve the college or university community, it is necessary to have an understanding of several topics. These topics include: the role of housing in the college or university community and why it is important to the academic institution; the practice of outsourcing in general and on campus, especially how it is used to develop or improve housing on or near a campus; and some of the factors which generally impact partnership ventures such as a privatization agreement.

The role of student housing in a university environment will be explored in order to establish the importance of housing to the overall mission of the university. Included in this description of student housing will be a discussion of the increasing consumer orientation of today’s student and parents and the impact this change has had on the amenities offered on campus. The importance of student housing underscores the need to provide or improve housing in an efficient and effective manner.

A review of current research on the topic of outsourcing will demonstrate that outsourcing offers many benefits to the higher education community and has the potential to be the most effective way to deliver housing to educational institutions. Those potential benefits suggest that using outsourcing to provide auxiliary services to a campus is an important technique, and one that needs to be fully understood by both campus administrators and developers. This literature review will cover outsourcing opportunities beyond housing because
outsourcing practices in other areas on campus, such as foodservice and bookstores, can inform the practice of outsourced housing on campus by serving as models.

Conditions that effect the positive development and maintenance of partnership relationships in business will be explored in order to inform variables which have the potential to affect the university-private sector relationship.

*Student Housing*

This research is intended to better understand one of the ways in which housing is built, improved, or managed to serve the university community. In order to do this, it is important to understand the role that housing plays for students as well as in the larger college or university community. For the purposes of this paper, student housing will refer to any housing intended to serve a college or university community’s students, including non-traditional students, such as married students. These facilities may be on- or off-campus depending on the privatization agreement between the private sector and the institution. Some of the housing is viewed as serving the community, although there may be no formal partnership agreement. Additionally, the terms college and university are used interchangeably except for the purposes of defining the institutions that participated in the research.

Living on one’s own, whether in campus housing or in an off-campus apartment, is one way to achieve a chief milestone in growing up. It has been suggested that “[a]mong the life-cycle changes normally occurring in the young adult years is a major residential shift as young adults leave their parents’ home and live elsewhere …. Typically, their moving is a major step in the ‘transition to adulthood’” (DaVanzo & Goldscheider, 1985, p. 545).

For educational institutions that offer a residential component, housing students is a vital and expensive undertaking. Where one lives is so important that architect Sinclair Gauldie said,
“To live in an environment that has to be endured or ignored rather than enjoyed is to be diminished as a human being” (Evans, 2007). Schools must work to insure that students’ experiences in their living environments go beyond mere endurance. As “design psychologist” Susan Painter, Ph.D. explains: “what your job is, as a university, is to make the living situation so attractive and such an important and integrated part of the college experience that everybody is going to want their kids to live on campus” (Fogg, 2008). As one Executive Director of Student Housing and Dining Services explained “‘The residential experience is what helps link students to the university community’” (Smith, 2000).

Although residential facilities can be merely a service provided to the student community, they might be more: they might create ‘the crossroads of the community’” (Fogg, 2008) on campus. Housing can be built in a manner that is guided by the institutional mission, thereby strengthening that mission. Housing can create positive or negative experiences for the student: “Environments are typically constructed for social reasons, designs lead to social consequences whether intended or not” (Halpern, 1995, 1). These social consequences can contribute to the overall student experience. Housing can “create a situation in which students can form social connections – friendships, mentorships … achieve a good balance between learning to be independent but also learning to live with other people” (Fogg, 2008). This social factor of housing increases both the importance of creating effective housing and the impact that housing can have.

The importance of housing to the campus community is illustrated by the experience of California University of Pennsylvania. Following a revitalization of housing there, the “dramatic changes, which are significantly improving student life on-campus and enhancing Cal U’s position in relation to its peer institutions” (Harris & Niccolai, 2005, 34) serve as evidence that
attention must be paid to campus housing. Many different dimensions of the student experience seem to be shaped by the residential experience. “Considering the drastic number of students whose living situation has colored their college experiences, on- and off-campus housing is becoming increasingly important. Young adults go to school to learn and thrive, but it’s clear that the environments they live in greatly contribute to their overall success – personally, socially, and academically” (Smith, 2000, p. 32).

Beyond the positive social and learning opportunities, poorly designed housing introduces the potential for negative outcomes for the student residents: “psychological and planning literature suggests that if the planned environment has any influence on mental health, then it is likely to be … as a source of stress; as an influence over social networks and support” (Halpern, 1995, p. 2) as well as other channels. In addition to the negative implications for the student population, poor housing choice has financial and budgeting downsides for the institution. Housing is hardly inexpensive, and one design psychologist reported the reaction to housing that was built and then found to be incompatible with the mission and goals of the school: “The university said, ‘We wish we hadn’t done this.’ … it’s hard to learn that those lessons when you spend $25-million or more putting up a residence” (Fogg, 2008).

Author James Moore (2002) draws on the work of Banning to explain the paramount importance of campus buildings: “the degree to which auxiliary facilities can contribute to the campus’ sense of space, the more students will be attracted to the campus and will feel a sense of belonging and desire to participate … the physical design of a campus plays a critical role in fostering, or not fostering a sense of community” (p. 46). The important role of student housing (and other campus facilities) has broadened in response to current changes in campus culture.
A recent and significant shift in campus culture has impacted the selection of amenities offered to students as demands for those amenities increase. The public perception of higher education has changed notably; post-secondary education is often seen as an individual investment rather than a public good. It has been suggested that a reason for this shift is that current financial aid policy and increasing tuition rates have combined to “reinforce the notion that a college education is becoming a private good” (Zemsky et al., 2005, 5).

The perception of higher education as a personal good is buttressed by the growing number of students who move from institution to institution: “a majority of students take a … nomadic path to a degree; about 60 percent of students graduating from college attend more than one institution” (Zernike, 2006). The notion that students can design their own approach to higher education rather than pursuing the path prescribed by the universities places increasing control of the educational process with the individual student rather than the academy. This roving approach to education also increases pressure on schools to retain their student body, and facilities, housing among them, are an important factor in doing that. Surveys have shown campus facilities to have a significant impact on students’ decisions to attend a particular school: “Residence halls … were a key part of the selection process for 42.2 percent of students” (June, 2006a).

This idea of college as a consumable increases the importance that the higher education community understands both that the community is affected by the market as well as how institutions might use that effect advantageously. It has been suggested that the higher education community must become “better organized as well as more entrepreneurial” and that there is a “required culture change if universities are to become effective as well as efficient market
enterprises” (Zemsky et al., 2005, p. 9). Providing the amenities that students, or customers, want is one way that schools can begin to make this cultural change.

In addition to the importance of understanding the market in which an institution operates, “[t]here is agreement from all parties that a school’s physical plant should mirror its educational philosophy, but the methods for achieving isomorphism are elusive” (Sommers, 1969, p. 98). How then to achieve this dual challenge of market and mission needs?

**Outsourcing**

As previously noted, outsourcing is an excellent way to provide amenities that both respond to customer demand and support the institutional mission. Understanding outsourcing is a key element in analyzing how relationships between universities and service or facility providers function. This section will: provide an overview of outsourcing; analyze the budgeting and financial implications of outsourcing; and analyze the impacts of outsourcing on higher education. Commonly outsourced functions such as bookstores and foodservice will be explored in order to provide a preliminary framework for understanding outsourcing beyond the narrower focus on housing. Although residence halls are only one of many opportunities for outsourcing, privatized housing is particularly interesting because it is less commonly outsourced than other functions and brings certain unique challenges and opportunities that sales outlets such as foodservice and bookstores do not present.

In order to effectively analyze the financial implications of outsourcing and its feasibility and value for the higher education community, it is important to understand exactly what outsourcing is, as well as the potential benefits and obstacles.
Defining Outsourcing

Outsourcing is the provision of goods or services from an external source: “privatization [is] … the process by which … institutions enhance their delivery of services by transferring to outside entities control over certain aspects and ‘peripheral functions’” (Niles, 2004). The higher education institution specifies what service or facility is needed, but looks to experts who are accustomed to providing what is sought: the college or university “usually specifies outputs rather than inputs … the [school] specifies what is required … but not how [it] is to be delivered” (Yescombe, 2007, 23). This raises the issue of an institution’s ability to be able to elucidate the needs of that service or facility; it requires a process of developing and thoughtfully expressing institutional goals.

The concept of outsourcing grew out of corporate practices, and provided a way for campuses to adapt to changes in higher education. “Declining student enrollment, reductions in funding for higher education, and increased pressure to limit tuition have diminished revenue sources for colleges and universities” (Moore, 2002, p. 39). These new realities required the academic community to seek out ways to save money, increase revenue, and reduce or redirect large expenditures for capital projects. Outsourcing is in keeping with the movement towards increased “professional administration … [as] the traditional forms of academic governance are increasingly criticized for being unwieldy and … inefficient” (Altbach, 2005, p. 29). Although initiating a contract relationship may be labor intensive on the front end, it can ultimately be a more efficient management model.

The services most commonly provided through outsourcing are food service and the campus bookstore. In 2005, over half of the institutions responding to a University Business survey used outsourcing for both of those services (Angelo, 2005). The number of outsourced
bookstores has almost doubled since 1992. Other common outsourced operations are “printing, vending, laundry, parking, and security” (Gose, 2005a). In addition, “information technology [and] facility maintenance” are more frequently privatized (Gose, 2005a). In 2004 “privatization … expanded to address one of the greatest challenges … confronting higher education – providing attractive, ‘technologically advanced,’ and affordable student housing during times of increased student enrollments and reduced budgets” (Niles, 2004).

**Benefits of Outsourcing**

There are a wide variety of potential benefits to outsourcing, both financially and managerially. In 2005, the primary reason to outsource cited by college administrators was financial: specifically through “‘cost savings’ and ‘revenue generation.’” (Gose, 2005a). Other financial benefits include: a “reduction of investment in capital asset;” the ability to “benefit from economies of scale;” and the potential to “manage periodic service demands” (Braz et al., 2001, p. 2).

One reason to privatize grew out of the corporate practice of restructuring businesses to refocus on mission (Moore, 2002). Outsourcing lets colleges and universities do just that. One university professional explained, “‘Outsourcing allows a college or university to focus on its primary mission, not on managing an auxiliary service that may compete with private-sector alternatives and not provide a real return for institutional dollars’” (Bushman & Dean, October 2005, p. 8).

While school administrators are left to concentrate on their primary mission, the contract service provider brings other managerial benefits to the campus. These include: “an increase in the ability to meet service demand;” an increase in “highly skilled staff;” the opportunity to “acquire access to new technologies, skills and expertise” that an educational institution might
not otherwise have contact with or knowledge about; and the ability to “provide specialized services” (Braz et al., 2001, p. 2). Using employees with a more developed or different skill set who are focusing on their core competency (whatever outsourced service they are providing) can increase innovation in those services. “It is … argued that [public-private partnerships] give private-sector bidders the opportunity to come up with a variety of different solutions, and so give the [school] the benefit of innovatory approaches, whether in design of the Facility or the method of delivering the service” (Yescombe, 2007, p. 23).

Some scholars have argued that the modern university needs to become more responsive to market demands in order to best serve the mission of the institution. They assert that this increased market sensitivity allows a school to leverage its assets in order to generate funds to support activities central to the mission of the school that may or may not be profitable. “The university needs to be better organized as well as more entrepreneurial…. [There is a] required culture change if universities are to become effective as well as efficient market enterprises” (Zemsky, et al., 2005, p. 9). Outsourcing is one method that schools can use to become better equipped to respond to market forces while still allowing administrators to focus on the educational mission of the school.

**Drawbacks to Outsourcing**

While outsourcing has great potential, it is important to note that the jury is still undecided: “the arguments for and against PPPs are by no means black and white.” (Yescombe, 2007, p. 28). Despite the numerous benefits that serve as a rationale for entering into an outsourcing agreement, it is important to recognize that there are potential drawbacks. These include the intricacy of the relationships, potential cultural and human resources issues, and financial concerns.
Certainly there are obstacles to creating this type of partnership. “Structuring PPPs is complex because of the need to reconcile the aims of a large number of parties involved” (Yescombe, 2007, p. xv). As some of the cultural concerns indicate, one obstacle might be encouraging community buy-in to the partnership and the project.

One industry expert suggests that the most prominent institutional concerns generally grow out of an institution’s culture and an entrenched, non-academic bureaucracy (T. Samuels, personal communication, December 7, 2007) rather than specific financial concerns. A study presented to the National Association of College Auxiliary Services indicates that “the most common misgiving about contracting out an operation – voiced by 92 percent of the campus officials who responded – was ‘loss of institutional control’” (Gose, 2005a). Additionally, there are a number of other worries about contract service: “service quality and customer satisfaction inconsistency;” “employee displacement or morale;” and the “impersonal nature, loss of identity, community, culture, and collegiality” (Phipps & Merisotis, 2005, p. 13). The traditional belief in the sacrosanct value of the academic culture (Cook, 1998) gives rise to the “fears of a corporate intrusion into the halls of academe,” although these concerns are beginning to fade as the benefits become more apparent (Gose, 2005a).

These cultural concerns extend beyond the threat of losing control. One notable example of an institutional function for which outsourcing proved to be a mistake illustrates this; alumni relations have not worked well when privatized. This attempt to privatize alumni giving lasted less than a year. A representative of the school explained that this outsourced operation seemed to lack a certain specific connection to the school community that is necessary for it to function – alumni prefer to be approached by people with a direct and specific connection to the school (Gose, 2005a). This can serve to inform the practice of outsourcing student housing; it is
important that both the housing and the partnership that creates the housing be a good fit with campus culture.

This need for a connection to the campus culture also speaks to concerns raised in the early days of private housing. Citing the example of private housing at Harvard University at the end of the 19th century, one critic suggested that because private housing is driven by the need to make a profit the resulting higher rents can create a visible division of students by wealth that is difficult to overcome (Shay, 1968).

The human resources concerns that have been raised at some schools may also be a culturally driven concern. Perhaps the traditionally collegial atmosphere of the college encourages concern for fellow employees. Some critics of privatization worry that school employees will suffer under the new arrangements as a result of the potential for lowered compensation or job loss. While it is true that some schools do report human resources problems as a result of outsourcing (Bushman & Dean, 2005), the practices of Aramark, Barnes & Noble, and Sodexho demonstrate otherwise. Despite the concern that employees will suffer when a previously in-house function is privatized, when Aramark and Barnes & Noble came to the University of Southern Mississippi, “current bookstore and food services employees [retained] their jobs … and [were] given a 5% raise” (McNeill, 2004). At Colorado College, Sodexho Campus Services responded to a student group protest by agreeing to pay some food service employees a “living wage” at $9.64 an hour rather than the federal minimum wage of $5.15. Ultimately, these costs were downstreamed to students but the decision was made at the urging of students (Gose, 2005a).

There are also certain financial risks inherent in outsourcing. Arrangements can fall apart if a company goes bankrupt (as happened with “the nation’s third-largest college bookseller,”
Wallace's Bookstores, and Collegiate Health Care, a company providing student health care, both in 2001) or when companies realize “less profit than expected” (Gose, 2005a). Despite the fact that responsibility is being turned over to an outside provider, ultimately the school may have to take responsibility if problems arise: “A PPP Contract … cannot provide for all possible eventualities in the future” so it is difficult for the school “to abdicate or transfer responsibility for dealing with unforeseeable circumstances” (Yescombe, 2007, p. 26).

Outsourcing is not necessarily a solution for all higher education institutions. However, outsourcing does have the potential to offer significant financial and managerial benefits for higher education institutions, despite the obstacles discussed above. Should an institution decide to pursue outsourcing, proceeding thoughtfully and rationally with contract agreements is a necessary element of the process.

*Budgeting and Financial Implications of Outsourcing*

Financial considerations are a primary impetus for seeking to outsource services or facilities. Outsourcing has the potential to have a significant effect on campus budgeting and finances.

Achieving the appropriate level of transparency about an institution’s financial dealings is quite important to the functioning of that institution (Goldstein, 2005). Outsourcing greatly increases transparency. “A PPP makes the real cost of the Facility clear … it shows the whole-life cost of the Facility, including operation and maintenance …. officials cannot hide the cost of choices, they must justify them, however uncomfortable this is” (Yescombe, 2007, 25). Justifying spending can be challenging in a community with diverse and typically competitive needs, but it is also a boon for budget planning because with a well written contract in place, costs will be much easier to predict and control for the school.
The president and CEO of a firm that provides “supply chain services in maintenance, repair and operations (MRO)” has said that using a firm such as his can save an institution between 15 and 20 percent of its MRO budget. “One client saw … a reduction from $12 million to $3 million in annual spending on various facilities maintenance activities” (Fickes, 2004). This opportunity to save on maintenance should not be overlooked. Some institutions opt to defer maintenance in response to financial pressures, but this comes with risks: “A modest deferred maintenance backlog may be manageable, but once it grows and becomes too large to be addressed within normal operating cycles, the overall condition of facilities begins to deteriorate rapidly” (Goldstein, 2005, p. 84). The potential for negative impacts from deferring maintenance can include lasting damage to campus facilities, even new buildings, and resulting harm to the public perception of the school. Using less expensive maintenance rather than postponing it can have multiple benefits for facilities by making maintenance more regular, such as extending the life of a facility.

As a result of the management expertise and economies of scale that a contract services firm brings to campus, the financial situation of a given outlet can be changed dramatically. Both the University of Georgia and the University of South Carolina at Columbia report financial gains through outsourcing. When the bookstore at Georgia was run by the school, it did not even operate in the black (Gose, 2005a). The bookstore at Oakland University estimated predicted earnings at $575,000 and savings over $25,000 as a result of not carrying inventory (Bushman & Dean, 2005). At Rockford College, using Enterprise to outsource “fleet management” saves the school approximately $30,000 each year (Angelo, 2005). Although these figures are estimates and are not an industry wide survey, they illustrate the potential savings and earnings from outsourcing.
Other Impacts on Higher Education

Outsourcing impacts higher education in ways that go beyond finances. Other school operations can be effected, introducing new ideas can be beneficial, and the services and facilities being outsourced are important to campus life.

The financial gains that are possible through outsourcing can be used to positively impact the mission of a school. In order to meet institutional mission a school needs to have the funding to pay for programs, services and facilities considered necessary to fulfill said mission. “The noble purpose of the nonprofit – that is, its mission – can be achieved only if it has discretionary funds” (Zemsky et al., 2005, 66). Financial security buys schools the ability to operate more flexibly, such as by supporting a program that is deemed important to the mission that also consistently loses money. “Without the ability to subsidize programs, the institution has no way to assert its mission” (Zemsky et al., 2005, 66). Outsourcing might offer an avenue to free up funds that can then be used to reinforce the mission of the school.

In addition to supporting the mission of the school, the innovation that contract firms can bring to campus (Outsourcing FAQ, 2006) might have a positive impact on campus. Creativity and ingenuity are in keeping with the ideals of education, and welcoming this to the community can have ripple effects of other positive changes. The student protest at Colorado College discussed above demonstrates how students were drawn to civic engagement through outsourcing and were able to see a positive outcome from their efforts.

Although the conversation about outsourcing in higher education revolves around those functions which are not the primary purpose of an institution, the facilities and services being outsourced still represent a significant aspect of the student experience in higher education: “facility and dining services contribute to the student living and learning experience; the
transformation of the campus community; and are vital to an institution’s ability to attract and
retain students, faculty and endowments” (Aramark Research, 2005). Although the above
findings are from research sponsored by a company that provides contract services and are
therefore potentially slanted, college and university officials across the country were surveyed to
provide the information in order to improve service to client schools, which helps to mitigate the
potentially biased source.

A 2006 survey by the Association of Higher Education Facilities Officers supports the
above claim: “the facilities students see – or do not see – on a campus can mean the difference
between whether they enroll or not” (June, 2006a). A school’s ability to accurately predict who
enrolls can have a significant effect on finances and the campus environment: “The more
sophisticated and accurate the enrollment projection and enrollment management models, the
more control campus decision makers will have over the allocation of resources” (Goldstein,
2005, 97). Therefore, facilities which influence enrollment figures should clearly be an important
concern for campus officials, and should be provided in the best way possible.

*Outsourced Campus Housing*

The success of outsourced foodservice and bookstores illustrates the potential for
outsourcing other facilities and services. There are certainly other areas that have not been as
commonly outsourced that have the potential to bring the benefits of outsourcing to the school.
One of these is campus housing. Although privatization of student residences first emerged in the
early 1990s, it has not grown as rapidly as other outsourced services (Gose, 2005b) despite the
potential such a practice represents. In part, privatizing student housing is a response to the
changing student “expectations with respect to … housing and the related amenities” (Niles,
2004). Increasingly, student preference for new and exciting facilities drives enrollment choices:
“For colleges eager to attract the best students, the quality of student housing is a key selling point” (Fogg, 2008). There are a number of different forms that privatized student housing arrangements can take, and outsourcing student housing offers certain benefits to a school that may be unique to outsourcing that function.

There are a variety of ways to structure the privatized student housing, depending on the needs of the school. These arrangements have “involved schools transferring responsibility for some or all of the following housing-related functions: land control, project ownership, property management and operation, design and construction, project financing, and residence life” (Niles, 2004).

As with outsourcing other campus functions, privatized housing brings improved service from specific expertise and innovation and the ability for campus administrators to turn their focus back to the mission of the school (Niles, 2004). There are also some potential benefits which are unique to privatized housing. It may be possible to complete construction projects considerably faster when those projects are privatized: “contracting is expedited because the developer’s contracts with architects, engineers, contractors, lenders, lawyers and other members of the team are typically outside the university’s procurement and contracting requirements” (Niles, 2004). In addition (much the way foodservice and bookstores can take advantage of economies of scale) developers may have preexisting relationships with subcontractors, because they build campus facilities much more frequently than a single institution would, that can smooth and speed the development process. Taking less time to develop a building translates to less cost, as does a better understanding of current design and building technologies (T. Samuels, personal communication, December 7, 2007).
One benefit of outsourcing student housing has both proponents and detractors. Although it can help protect the school’s debt and credit capacity there are those who say to move forward with caution. “Some privatization transactions may be structured in a manner that allows a portion of the project’s construction and permanent debt to remain off the university’s balance sheet. This … financing helps universities preserve their ever-important debt capacity and credit rating for other borrowing” (Niles, 2004). There are certainly concerns with this approach. Although the debt does not appear on the school’s balance sheet, bond rating agencies Moody’s Investors Services and Standard & Poor’s “treat such a project as the college’s debt rather than the developer’s, if the project is one that is key to the university’s success” (June, 2006b). A Moody’s analyst explains this reasoning: “The university would be strongly motivated to support this project …. It’s a debtlike liability” (June, 2006b). Although there are short term gains available with this approach, it could prove to have significant long-term impact.

The concern over this type of financing does highlight one caveat to outsourcing in general. Although the contract may place liability for a service or facility with the provider, ultimately the school may still need to assume responsibility, particularly for “housing and student/parent complaints” (Niles, 2004). Although this is a significant concern, there are steps that a school can take to prevent problems. When negotiating the contract, there a number of important aspects to include. These include: plans to guarantee quality control in construction; plans for real estate, facility, and maintenance management; a forum for user satisfaction input; clear financial reporting requirements; and provisions for student life programming (Niles, 2004 & T. Samuels, personal communication, December 7, 2007). The last provision, student life, is the one which will perhaps engender the most culture clash. As discussed in the previous section on campus housing, the residential experience is considered by many to be an integral part of a
student’s education and development. This might indicate that while it makes sense to contract with experts to provide the physical structure and building management, that the programming aspect of the residential experience might be a service best left to the academy.

Although the concerns about privatized housing should not be dismissed lightly, those concerns are more representative of the need to enter into agreements thoughtfully than a reason to not use privatized housing. Despite concerns and the need to proceed carefully, privatized housing does offer numerous potential benefits to higher education.

Privatization is not going to disappear any time soon. Some colleges and universities are hiring an outside firm to manage privatization partnerships, in effect “outsourcing the outsourcing” (Fain, 2005). This increased focus on outsourcing indicates that it is a practice that is here to stay.

Outsourcing is not the correct strategy for every institution or service requirement and it needs to be procured in such a way that an institutions’ unique culture is protected, making the procurement successful for the institution and its stakeholders as well as the private partner. Despite these caveats, outsourcing can provide financial and operational benefits and contribute to an institutions competitive position and as such should at least be considered and explored.

Given the apparent importance of housing on campus and the potential benefits in privatized housing, what does the literature say about how to execute such a venture? Outsourcing on campus is essentially an agreement or partnership between two fundamentally different entities: the mission driven educational institution and the profit-driven private sector company. Understanding partnerships in general is the first step in answering the question of how this specific type of partnership might function most effectively.
Partnerships

The literature demonstrates that there are a number of factors that can make a partnership successful or not. Organizations need to understand and trust each other and the appropriate degree of control over the partnership needs to be implemented. Each of these factors is intertwined with each other. Ideally, outsourcing is truly a partnership rather than simply a contract. “Each partner needs to contribute its expertise to the particular function, each also needs to give up some control, and then each needs to trust the other partner to fulfill their end of the deal. Partnerships tend to be value-added, with each partner contributing to the relationship” (Moore, 2002, p. 40). The question then becomes what can organizations do to promote the development of trust, communication and the appropriate degree of control?

Trust is important because without it, it is difficult for a partnership to function effectively. Essentially, a lack of trust is disruptive because it takes focus away from the work at hand: “in low-trust groups, interpersonal relationships interfere with and distort perceptions of the problem. Energy and creativity are diverted from finding comprehensive, realistic solutions …. In contrast, in high-trust groups there is less socially generated uncertainty and problems are solved more effectively” (Zand, 1972, p. 238). How then to develop such trust?

Trust is more likely to develop in a relationship characterized “by honest dealing, commitment, fair play, and complying with agreements … cooperation may include two particular dimensions: (1) veracity (i.e., being truthful) and (2) commitment (i.e., making efforts)” (Das & Teng, 1998, p. 492).

Developing trust is also important because it promotes a necessary ability for the partners to communicate. “There is increasing research evidence that trust is a salient factor in determining the effectiveness of many relationships …. Trust facilitates interpersonal acceptance
and openness of expression, whereas mistrust evokes interpersonal rejection and arouses defensive behavior” (Zand, 1972, p. 229). The candidness that grows from such trust can help the organizations involved to work to better understand each other.

It is important that the partners understand both themselves and each other. Upon consideration of a partnership, the educational institution must take inventory of its goals and culture. What is needed or wanted and how does the school hope to achieve that? “[T]he culture and values of the … university must be understood …. self-analysis is essential to ensure that the culture and values of the future partner mesh with those of the university” (Moore, 2002, p. 46).

It is not enough, however, to understand the educational institution. An understanding of the prospective partner’s needs and expectations is also needed. “Although it is obvious that the institution would be looking for the value that prospective partners would add to the university service operation, it has also been suggested that the university should ask the corporate partner what value the university adds to its corporate operation (Scherrens, 1999). From this perspective, each partner maintains a learning-centered, results-oriented perspective” (Moore, 2002, p. 40). Once the partner’s goals are understood, the question becomes: can we work together? “After learning about the culture of each organization, assess how each would mesh with the culture of the institution” (Moore, 2002, 47).

In addition to trust and understanding, control is an important factor in maintaining both the relationship and the trust itself. Alliance building between organizations is promoted through the degree of trust and control achieved in a partnership. Those mechanisms help to develop an important confidence, “a firm’s perceived level of certainty that its partner firm will pursue mutually compatible interests in the alliance rather than act opportunistically” (Das & Teng, 1998, p. 491). This confidence is an important aspect of the successful creation of a partnership.
Clarity and openness can help partners to better understand the other’s goals and motives: “through the establishment of proper control mechanisms, the attainment of desirable goals becomes more predictable …. the purpose of control is to fashion activities in accordance with expectations so that the ultimate goals of the organization may be attained” (Das & Teng, 1998, 493). Organizations must know what they are working toward in order to have confidence in each other.

In addition to clarity and confidence, trust and control both have an impact on partnerships. The degree of trust developed in a partnership will also be impacted by the controls in place. There are two different types of control to consider: formal and social. Although they each have their place, they have different effects. Formal control is bound by contractual terms while social control takes its authority from the “underlying assumption … that people can ultimately determine their own behavior” (Das & Teng, 1998, 502). Findings about these two types of control suggest that “formal control mechanisms will undermine the level of trust among partners [while] …. social control mechanisms will enhance the level of trust among partners. (Das & Teng, 1998, 502).

Despite this, formal control is still necessary. Without a contract, it may be difficult to define the specifics of the partnership. “The degree to which the contract office can specify the terms of the contract is crucial. It is important that the contract be crafted to maintain accountability and have an ‘out’ if services do not meet expectations” (Phipps & Merisotis, 2005). Perhaps the trust building advocated by Tas and Deng can be used to overcome the lessening of trust from overuse of formal control, as formal control is a necessary component of privatization.
Das and Teng (1998) argued that the level of trust and control supplement each other and jointly impact the confidence that participants in an alliance have in their partner. Figure 1 (Das & Teng, 1998, p. 497) provides a visual representation of this argument. It also suggests specific techniques for trust building, such as clear communication, and control mechanisms, such as cultural blending.

![Figure 1. Trust and Control in Strategic Alliances](image)

Finally, keeping the customer, the student, in mind is important in addition to the connection between partners. The impact needs to be considered. “[I]t is important for the student affairs leadership to understand how decisions to enter into a corporate partnership might affect student life on the campus and then to ensure that the student perspective is factored into the partnership decision-making process” (Moore, 2002, p. 41).

**Conclusion**

Housing is an integral part of the educational experience for many students, both from a personal development standpoint and in basic decision making about what institution to attend and whether or not to stay at that institution. Because of its central role in higher education, it is important to consider how best to provide housing. One solution that has emerged from the
business world is the practice of privatization, a technique that allows an educational institution to fulfill certain needs by hiring experts rather than by relying on in-house staff who may not have the necessary skills and whose energy would be better spent elsewhere. Outsourcing also allows an institution to focus its management and financial resources on the primary educational and research missions rather than ancillary services, no matter how important. How, then, to make these relationships work? Understanding the need for communication, trust, and control in a partnership is only the first step. As will be demonstrated later in this project, the experts in the student housing field – higher education administrators and private sector representatives – have an ability to shed illumination on how they work together effectively and how they know they have accomplished something meaningful.

The above discussion of campus housing, outsourcing, and partnership building creates a framework for understanding how the data answer the research question. By viewing the information shared by experts in higher education and the private sector during the process of data collection through the lens of the literature, an answer to the research question can be developed. In addition, both the literature and the data reinforce the importance of the research question.
Data Collection

This research was conducted to answer the question: What factors impact the likelihood of success, and how is that success defined, in partnerships between higher education institutions and the private sector formed to create or improve student housing?

The goal of answering this question is to provide information and suggestions to support improved working relationships between two disparate groups working toward a set of common goals. Broadly understood, that set of goals is focused on more efficiently providing superior housing to the university community and better managing it. However, because the two groups, higher education institutions and private sector organizations, are so different, they are likely to have different ways of understanding and approaching that goal. By better understanding the other group, it may be possible to improve the way these partnerships and projects are approached.

Data were collected and interpreted in order to answer the research question, thereby providing information which informs the above topic of improved relationships. The methods used to collect the data, interviews and artifact analysis, and the methods used to select the data sources are described below. This data collection protocol was approved by the Northwestern University Office for the Protection of Research Subjects (Appendix A).

Methods

In order to examine the process of outsourcing housing, data were collected in three steps from three sources: interviews with private sector representatives, interviews with higher education administrators, and artifact analysis of websites from both the private sector and the institutions. Using a mixed methods approach provides triangulation so that multiple data sources and collection methods reinforce each other and support the interpretation.
Interviews: Private Sector and Higher Education

Following initial exploratory informational interviews with experts in the field of student housing, two different interview protocols were developed (Appendices C and D). These two interview protocols aimed to understand the perspectives of the higher education administrators and those involved in developing and/or managing student housing on the private sector side. The interview questions were designed to define the interviewees’ roles and the organizations they represent and to explore the following topics: how success is defined or measured in privatized student housing projects and what factors contribute to success in those projects. Both the informational interviews and one of the early public sector interviews identified “the real key” to the relationship between the developer and the university:

“an element of a university that is skeptical of the motivations of profit making organization. And that’s unfortunate … it really is because it hinders a lot of good work, it’s kept the idea of the privatization of housing way behind things like foodservice or bookstores …. In our minds, a university ought to be a teaching facility and then all these other services ought to be outsourced to an industry that frankly does it better, and does it more economically, and there are schools that it is just heresy to say something like that.”

This explanation inspired the addition to both interview protocols of a question designed to explore this phenomenon. The private sector entities were asked:

- Some research suggests that reticence towards privatization in general is a barrier to entry on college and university campuses. Has this been your experience?
- What do you believe contributes to this reticence or lack thereof within different institutions?
- When interacting with the institution, do you find different levels of reticence at different levels of management hierarchy?

- What do you do as a developer or manager of student housing to overcome such reticence?

- If you encounter resistance once a project is underway, what techniques can you employ to respond?

The institutional representatives were asked:

- Some research suggests reluctance on the part of higher education institutions to enter partnerships with a for-profit or outside organization. What has your experience been like?

- If you have experienced or observed such reluctance, what factors do you think contribute to this position?

- Are there action steps which could improve acceptance of such a partnership on the part of various management levels within the institution or the private sector partner?

In order to collect data on these topics, qualitative interviews were conducted with both private sector representatives who develop, finance, manage, and/or provide consulting expertise about student housing and higher education administrators regarding their expectations for a project and how they determine that project’s success.

The interviews were arranged via email or telephone and were held via phone due to scheduling and geographic constraints (see Appendix E for sample subject recruitment email). In response to feedback from the initial exploratory interviews, interviewees were provided the questions in advance. Each participant signed a consent form before participating in a phone interview (Appendix B). Interviews took approximately thirty minutes. Interviews were digitally
recorded, transcribed, and coded for themes by the interviewer. If necessary, follow-up questions were submitted to participants via email. A small minority of those receiving interview requests did respond in writing rather than by interview. One reason given for this (by a private sector company that ultimately declined to participate) was because of company policy regarding interviews and an impending change in company ownership.

Some higher education administrators responded to the email request by saying that their campuses do not have privatized housing. Follow-up questions were also sent to those higher education administrators explaining that their campus had been listed by a private sector company as being served by privatized housing. This was done in order to establish the relationship between the institution and the company whose website they were listed on. These administrators were also asked about the general perception that higher education administrators have of privatized housing.

Interviews were considered the appropriate method of data collection because of the freedom of responsiveness they provide. The ability to ask open-ended questions meant that the interviewees’ answers provided what they felt was the most important information rather than being constrained by the answer choices in a survey.

Artifact Analysis

Following the interviews, artifact analysis was used to assess how this information is presented to the outside world. Websites used by the institutions and private sector companies were examined. The websites targeted both potential residents, the students, and potential clients, the institutions. The websites were analyzed in order to determine if the factors identified as being important to the success of student housing by higher education administrators and private sector developers and managers were similar to those aspects of student housing being promoted
to the consumer. That is, by looking at the marketing materials to students (school websites) and
to higher education institutions (private sector company websites), the promises (and therefore
definitions of success) of both the school and the developer can be understood. Understanding
what is being promised to students (that is, the consumer) in terms of the product being
developed is another way of illustrating what was intended to be achieved through the
partnership.

Sources

A combination of homogenous and network sampling was used to select sources for this research. The sources are homogenous in the sense that they all work to develop or improve
student housing through privatization, either as representatives of a private sector firm engaged
in financing, developing, managing, and/or consulting on student housing or through their role in
a higher education institution. Their expertise is either in decision making or operations
management of such projects.

Interview Sources

Private Sector. Preliminary interviews were held with two different experts in the field of
privatized housing, a principal in a real estate development and consulting firm and a principal in
a financial investment firm with a variety of interests, including a fund dedicated to financing
student housing, and these experts were asked to suggest other potentially useful sources. As the
interviews progressed, network sampling was used to extend the group of interviewees and to
seek out those viewed by their peers as experts or likely to have information particularly relevant
to the research. Table 1 includes a summary of the interviewees in the private sector. Each
interviewee plays one or all of the following roles in student housing: consultant, developer,
investor, manager.
Table 1. *Private Sector Interviewees*

<table>
<thead>
<tr>
<th>Company</th>
<th>Privately Held or Publicly Traded</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exploratory Interviews</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Privately Held</td>
<td>Principal</td>
</tr>
<tr>
<td>2</td>
<td>Privately Held</td>
<td>Managing Principal</td>
</tr>
<tr>
<td></td>
<td>Formal Interviews</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Publicly Traded</td>
<td>CEO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>President</td>
</tr>
<tr>
<td>4</td>
<td>Privately Held</td>
<td>Vice President for Acquisitions and Finance</td>
</tr>
<tr>
<td>5</td>
<td>Privately Held</td>
<td>Senior Managing Director</td>
</tr>
<tr>
<td>6</td>
<td>Privately Held</td>
<td>President</td>
</tr>
</tbody>
</table>

*Higher Education.* Each private sector company that participated in the formal interview process was also represented by an interviewee from a higher education institution it had some connection to, with the exception of Company 5. A number of the institutions interviewed are member of various state systems. Company 5 has worked with a different campus in one of those systems. The connections were established through the project listings on each company’s website. Schools listed were contacted via email and asked to participate (Appendix E). As will be discussed in the data summary and interpretation sections, the definitions of these connections was not always consistent, although this was not initially clear from the company websites.
Before the interview requests were made, the schools were classified according to the basic classification categories established by the Carnegie Foundation for the Advancement of Teaching. This was done in an attempt to have a diverse representation of institutional types, the assumption being that individuals employed by different institutional types are likely to have different perspectives and experiences. The spectrum of institutional types requested to participate in this research is illustrated by Figure 2, with the majority of institutions being classified either as Research University: Very High or Master’s Large. As indicated above, this list was generated from the websites of the private sector participants.

In addition to being classified with Carnegie Foundation descriptions, the schools were defined as public or private institutions. All institutions were not-for-profit. As Figure 3 indicates, most of the schools identified by the private sector companies’ websites as having privatized housing are public institutions. This phenomenon, the lack of private school representation in the larger population of

Figure 2. Interviews Requested by Institutional Type

Figure 3. Distribution of Public and Private Institutional Interviews Requested
schools identified as having privatized housing, inspired the inclusion of a question examining the issue on the interview protocol used for higher education administrators, and was occasionally mentioned by the private sector interviewees, as will be further discussed in the data summary and interpretation sections. One of the private sector companies does have a more balanced portfolio of work with public and private institutions, but there were far more public institutions represented in the overall group.

Not all institutions on each private sector website were contacted. In order to have institutional representation for each private sector company interviewed, as companies agreed to participate, schools were contacted. As a result, more institutions associated with the early private sector interviews were approached to participate. The entire list of institutions on the website of the first private sector company to grant an interview were contacted. This generated approximately a 10% response rate to the email requests. Some of these responses were negative; typically the higher education administrator who responded explained that the school did not have privatized housing (as discussed above, this prompted a request for more information regarding the school’s relationship to the property described on the website). As interviews were scheduled, the time constraints of the research project naturally limited the number of interviews that could be conducted. As a result, for institutions listed by private sector organizations that participated later in the process, a more targeted approach was taken in recruiting institutional participation. This included an attempt to diversify the institutional pool by actively seeking out private school representation and representation of other Carnegie Classification types. As is illustrated by Table 2, which shows classifications both of schools approached and schools that participated, and Table 3, which describes participating institutions, this effort was moderately successful. One private school approached in an attempt to increase institutional diversity
declined to participate despite having multiple privatized housing projects and demonstrating initial interest. No explanation was provided.

Although a broad spectrum of institutional types and private sector companies were contacted with a request for an interview, the sample is limited by the institutions which chose to respond. Table 2 provides defining characteristics for the institutional types contacted, with those represented in the interviewee group highlighted in yellow.
Table 2. Distribution of institutions and enrollments by classification category

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Institutions</th>
<th>%</th>
<th>Total Enrollment</th>
<th>%</th>
<th>Average Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assoc/ Pub-R-L</td>
<td>public rural greater than 7,500 enrolled</td>
<td>144</td>
<td>3.30</td>
<td>1,087,790</td>
<td>6.20</td>
<td>7,554</td>
</tr>
<tr>
<td>Assoc/ Pub-U-MC</td>
<td>public urban multi-campus</td>
<td>152</td>
<td>3.50</td>
<td>1,743,179</td>
<td>9.90</td>
<td>11,468</td>
</tr>
<tr>
<td>RU/VH (Research University/ Very High)</td>
<td>awarded at least 20 doctorates very high research activity level</td>
<td>96</td>
<td>2.20</td>
<td>2,365,228</td>
<td>13.50</td>
<td>24,638</td>
</tr>
<tr>
<td>RU/H (Research University/ High)</td>
<td>awarded at least 20 doctorates high research activity level</td>
<td>103</td>
<td>2.30</td>
<td>1,693,731</td>
<td>9.60</td>
<td>16,444</td>
</tr>
<tr>
<td>DRU</td>
<td>awarded at least 20 doctorates</td>
<td>83</td>
<td>1.90</td>
<td>848,316</td>
<td>4.80</td>
<td>10,221</td>
</tr>
<tr>
<td>Master's L (Master’s Large)</td>
<td>awarded at least 200 degrees</td>
<td>346</td>
<td>7.90</td>
<td>2,812,650</td>
<td>16.00</td>
<td>8,129</td>
</tr>
<tr>
<td>Master's M (Master’s Medium)</td>
<td>awarded 100-199 degrees</td>
<td>190</td>
<td>4.30</td>
<td>739,648</td>
<td>4.20</td>
<td>3,893</td>
</tr>
<tr>
<td>Master's S (Master’s Small)</td>
<td>awarded fewer than 50 degrees</td>
<td>128</td>
<td>2.90</td>
<td>349,859</td>
<td>2.00</td>
<td>2,733</td>
</tr>
<tr>
<td>Bac/A&amp;S</td>
<td>at least 10% of degrees awarded are bachelor’s Arts &amp; Sciences</td>
<td>287</td>
<td>6.50</td>
<td>527,533</td>
<td>3.00</td>
<td>1,838</td>
</tr>
<tr>
<td>Bac/Diverse</td>
<td>at least 10% of degrees awarded are bachelor’s diverse fields</td>
<td>360</td>
<td>8.20</td>
<td>595,754</td>
<td>3.40</td>
<td>1,655</td>
</tr>
<tr>
<td>Bac/Assoc</td>
<td>at least 10% and fewer than 50% of degrees awarded are bachelor’s</td>
<td>120</td>
<td>2.70</td>
<td>267,832</td>
<td>1.50</td>
<td>2,232</td>
</tr>
<tr>
<td>Spec/Law</td>
<td>At least 75% of degrees awarded with a concentration in law</td>
<td>32</td>
<td>0.70</td>
<td>25,683</td>
<td>0.10</td>
<td>803</td>
</tr>
<tr>
<td>All institutions classified by the Carnegie Foundation</td>
<td></td>
<td>4,392</td>
<td>100</td>
<td>17,571,104</td>
<td>100</td>
<td>4,001</td>
</tr>
</tbody>
</table>

Note. Institutions are considered Associates Colleges if the “highest degree conferred was the associate’s degree or if bachelor’s degrees accounted for less than 10 percent of all undergraduate degrees” (Carnegie Foundation, 2007a). Level of research activity refers only to the amount of research conducted, not to the “quality or importance” of the research. Table adapted from: Carnegie Foundation, 2007a and Carnegie Foundation, 2007b.
Table 3 illustrates key characteristics of the higher education administrators who participated in the research, either through information gathering via emails or phone calls following an initial response indicating there was no privatized housing at the institution, or during the formal interview process.

Table 3. Higher Education Participants

<table>
<thead>
<tr>
<th>Institution</th>
<th>Private or Public</th>
<th>Carnegie Foundation Classification</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Informal Information Gathering: Institutions Without Privatized Housing</td>
<td></td>
</tr>
<tr>
<td>1a</td>
<td>Public</td>
<td>RU/H</td>
<td>Vice President for Business and Finance</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CFO</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Treasurer for the Board of Trustees</td>
</tr>
<tr>
<td>1b</td>
<td>Public</td>
<td>RU/H</td>
<td>Vice President for Student Affairs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Dean of Students</td>
</tr>
<tr>
<td>2a</td>
<td>Public</td>
<td>RU/VH</td>
<td>Assistant Vice President and Director, Office of Planning and Budgets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Formal Interviews: Institutions with Privatized Housing</td>
<td></td>
</tr>
<tr>
<td>2b</td>
<td>Public</td>
<td>RU/VH</td>
<td>Assistant Vice President for Housing and Foodservices</td>
</tr>
<tr>
<td>3</td>
<td>Public</td>
<td>Master’s L</td>
<td>Vice President for Finance and Administration</td>
</tr>
<tr>
<td>4</td>
<td>Public</td>
<td>RU/VH</td>
<td>Associate Vice Chancellor for Student Affairs</td>
</tr>
<tr>
<td>5</td>
<td>Public</td>
<td>Master’s L</td>
<td>Vice President for Student Life</td>
</tr>
<tr>
<td>6</td>
<td>Private</td>
<td>Master’s M</td>
<td>Controller</td>
</tr>
<tr>
<td>7</td>
<td>Public</td>
<td>RU/VH</td>
<td>Director of Housing and Residential Education</td>
</tr>
<tr>
<td>8</td>
<td>Public</td>
<td>RU/H</td>
<td>Director of Housing and Residence Life</td>
</tr>
</tbody>
</table>

Artifact Analysis Sources

The websites of each institution or private sector company represented in the interviewee group were used in the artifact analysis. Those websites were coded for themes, with an eye toward exploring whether or not those themes echoed the themes which developed in the interviews.

Consents Secured and Ethics Considered

As discussed above, all participants in the formal telephone interview process signed a consent form (Appendix B) informing participants of the purpose of the research, the research procedures to be followed, any potential risks or benefits to participating in the research. In
addition, the consent form instructed participants that they had the right to withdraw at any time without penalty. Specific permission was obtained to make an audio recording of the phone interviews. All participants were kept confidential, identified only by job title and organizational characteristics.

These data collection methods yielded a great deal of qualitative data, primarily descriptive information about the organizations represented and opinions of the interviewees developed from work experience in the field of privatized student housing. This data is summarized below.
Data Summary

This section will describe the data collected through the interviews with representatives from the private sector and higher education, and artifact analysis of related websites. Information gathered through the informational emails and interviews will be considered along with the data from the formal interviews, as similar topics were addressed, and parallel themes arose through the coding. Those themes were then used to analyze the relevant websites.

Some responses to the interviews in both groups contained verbiage which may be considered jargon by those not familiar with residential development. In order to make this more accessible to those unfamiliar with certain terms, these words have been defined as necessary (Appendix F).

It should be noted that if a respondent is not indicated as listing a certain factor impacting success or partnerships, this does not imply that they do not agree that it contributes to success. Because answers were given in a free-response format and the interviewer strove to avoid leading questions, each interviewee was not asked to agree or disagree with the list of factors.

Initial Interviews

These early interviews were conducted as a way of gathering basic information on the topic and developing the research question. Both companies who participated in the initial, exploratory interviews are privately held. Both representatives of those companies are principals in their respective companies, one who has experience as a developer and consultant for student housing, and one who has experience with financial investment in student housing.

A number of themes that seemed important to explore were revealed by the initial interviews. In addition to discussing some of the basic reasons for outsourcing and the various structures used in outsourcing partnerships, certain key concerns for participants in these
agreements were highlighted. For many schools, whether or not housing is a core part of their educational mission impacts their privatization decisions, and this was reflected in the initial interviews. Other issues raised included the institutional leadership, the composition of the school’s board, the economics and financial realities of the school, the local market for student housing, and institutional concerns about the loss of control which can arise from privatization. This initial exploration into privatized housing informed both the questions on the interview protocol and the process used for data collection; the questions on the interview protocols were generated by the themes evident in these early discussions and the practice of providing the questions in advance of the actual interview was suggested, for example.

The interviewee from Company 1 also provided ongoing guidance on both the process and the data collected. This participant did not participate in a formal interview, but did provide reflections on the various interview questions.

*Formal Interviews*

Although the interview protocol was designed to collect demographic information about the specific institution being represented by an interviewee, most of the interviewees had experience with a wide variety of partnership structures and spoke to many different experiences, not always those experiences on the same campus or in the same job role.

Because of this wide range of experience, it is important to understand that public-private partnerships can be arranged in many different ways; there is a wide spectrum of responsibility and control in developing or improving student housing. Figure 3 (Anderson Strickler, LLC, 2000) illustrates this spectrum. The foundation referred to in the figure would be a non-profit foundation, often established for the purpose of developing or improving housing. The most traditional model, in which housing is not privatized at all, occurs when all four functions
illustrated on this chart are performed by the university. Some privatized housing, while it might appear to be affiliated with a college or university, is entirely outsourced. That is, all four functions on the chart are performed outside of the university (Anderson Strickler, LLC, 200). Interviewees in both the private sector and higher education discussed having either experience with or knowledge about the entire spectrum of arrangements.

Figure 3. Partnership Structures

Private Sector Interviewees

The interview covered both descriptive questions about the individuals and companies as well as questions exploring partnerships and success in privatization.

Descriptive information. In order to understand the perspective of the participants in the formal interview process, the interview protocol was written to collect demographic information about each of the companies (Appendix C). However, as discussed above, all of the participants spoke to experiences outside the range of their current situation, as they all have a variety of work experience and the companies have completed a variety of projects. Of the four companies that had a representative interviewed during the formal interview process, only one of them, Company 3, is publicly traded, on the New York Stock Exchange.
All interviewees make investment decisions for their respective companies. The representative of Company 3 does so with the participation and approval of the company’s board.

Table 4 illustrates the various roles that the companies interviewed fill in the creation or improvement of campus housing.

Table 4. *Functional Roles Performed by the Private Sector Companies*

<table>
<thead>
<tr>
<th>Company</th>
<th>Title</th>
<th>Investor</th>
<th>Developer</th>
<th>Manager</th>
<th>Consultant</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Exploratory Interviews</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1</td>
<td>Principal</td>
<td></td>
<td>□</td>
<td></td>
<td>□</td>
</tr>
<tr>
<td>2</td>
<td>Managing Principal</td>
<td>□</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>President</td>
<td>□</td>
<td>□</td>
<td></td>
<td></td>
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<tr>
<td>4</td>
<td>CEO, Vice President for Acquisitions and Finance</td>
<td>□</td>
<td>□</td>
<td></td>
<td>□</td>
</tr>
<tr>
<td>5</td>
<td>Senior Managing Director</td>
<td></td>
<td></td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>President</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

Companies 3, 4, and 6 are involved in the financing, development and management of student housing. Company 6 also serves as a consultant to higher education institutions. Both Companies 3 and 4 have developed student housing on a fee basis for eventual ownership by the educational institution and for ownership by the company. Company 6 used to manage projects they did not own, but no longer do. All four representatives indicated a preference for involvement in the entire process – all four functions (ownership, development, financing, and management) illustrated in Figure 3.

Company 4 currently focuses on the development and ownership of off-campus student housing. The interviewee reported that this allows them to “enjoy all the real estate appreciation”
and maintain control over the site and the project. In addition, being off-campus typically allows the company developing the project to avoid the process of responding to a Request for Proposal (RFP), which can be a “chase process [that] is pretty extensive, pretty time consuming.” While the interviewee considered the risk involved in on-campus development the same as in off-campus development, the reward was deemed to have less potential.

All interviewees have experience with a diversity of arrangements as related to marketing and leasing the spaces to students. The Vice President for Acquisitions and Finance of Company 4 indicated that this diversity is the result of the vast differences from institution to institution:

“All universities have a different personality …. the personalities range from ‘I want nothing to do with you’ and almost adversarial to ‘I love you and I’m going to do everything I can within the bounds of fairness to all the student housing operators because the success of the university is contingent in part on the students having good quality places to live.”’

He offered examples of one site where the building is being constructed of materials to give a similar visual appearance of preexisting on-campus buildings “so that it almost will have the appearance, with [the institution’s] bluffing, of being on-campus housing albeit it is off-campus and will be owned by” Company 4. This experience stands in contrast to another institution where Company 4’s leasing and marketing agents are being kept off of university property “aggressively.”

After collecting data regarding experience with and opinions of typical structures for privatization agreements, the interviewees were asked about factors that are considered when evaluating a project, what factors impact the success of a project, and how that success is measured.
Evaluating Student Housing Projects. A variety of factors are considered when evaluating whether or not to pursue a particular project. During the initial interviews, the consultant from Company 1 named a number of factors that go into evaluating whether or not to participate in a project:

- availability of land for purchase or a long-term (50-75 year) lease
- market demand
- market rent ability to support development costs
- the relationship with the educational institution or administrators at that institution
- the existence of other privatized housing in the market
- the size of the project

Although each interviewee in the private sector group did not mention each factor, the list was reflected in the formal interviewees. Table 5 summarizes the reasons given by Companies 3, 4, and 6 for considering a project. In addition, as will be discussed below, similar items were included by the higher education administrators.

Table 5. Factors Considered When Evaluating a Student Housing Project

<table>
<thead>
<tr>
<th></th>
<th>Company 3</th>
<th>Company 4</th>
<th>Company 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fit with Business Strategy</td>
<td>■</td>
<td>■</td>
<td>■</td>
</tr>
<tr>
<td>Specifics of the RFP</td>
<td>■</td>
<td>■</td>
<td></td>
</tr>
<tr>
<td>High Barriers to Entry</td>
<td></td>
<td>■</td>
<td>■</td>
</tr>
<tr>
<td>Demographics of the Institution</td>
<td>■</td>
<td></td>
<td>■</td>
</tr>
<tr>
<td>Location</td>
<td></td>
<td></td>
<td>■</td>
</tr>
<tr>
<td>Growth Characteristics of the Institution</td>
<td>■</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relationship with Institution</td>
<td>■</td>
<td></td>
<td></td>
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<tr>
<td>Management Opportunity</td>
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<td>■</td>
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</table>

Typically, Company 3 will not respond unless facility management is included. However, strategic reasons such as wanting to expand geographically may overcome the lack of
opportunity to manage a project. The company also considers a preexisting relationship with the institution or administrators at the institution because familiarity can help to develop “an ally” and “because administrators, like everyone, move around … a relationship at one school can translate to a relationship at another.”

Companies 4 and 6 prefer to work in markets with high barriers to entry, although they do so for somewhat different reasons. Company 6 does this to “justify risk,” as they tend to have high capital investments in their properties. As the representative from Company 4 explained, working in secondary and tertiary markets allows Company 4 to operate as the dominant company in the area and to have the best location, as opposed to in a primary market where there may be “a sea of other projects.”

After discussing what the companies look for in potential project, the characteristics of a project that make it likely to succeed were discussed.

Factors impacting success. When asked what factors impact the likelihood of a project’s success, the three interviewees gave different answers. The representative of Company 3 again highlighted the positive impact of being located on campus. In addition, he noted the importance of the institutional enrollment plan and the availability and state of other housing options for students. Will an institution need to upgrade or repair its housing in the coming years? Company 4, which again focuses on off-campus projects, noted the paramount importance of the operating staff of the project:

“The student housing business is an operating business and at the end of the day the project needs to be well managed with experienced, capable property managers. You could do everything … perfectly and build a wonderful building and if it is not properly managed it will fail …. the property manager, the
maintenance folks, the leasing agents. All those people, if they are top shelf the project is going to be wonderfully successful. If they are a bunch of boobs and idiots then I can assure you that that project, regardless of where it is, and it can be the best location, the best box, the perfect university with high growth characteristics, and it could still fail”

He went on to describe the need to create a sense of community through a student life program, but emphasized that he believes that the strength of management operations is simply more important: “if you don’t maintain the property and residents are angry because things are not being fixed on a timely basis, that is critical to their living experience, and you are going to fail as an operator.”

In addition to the “things that are simply not controllable” such as demand and demographics and “the normal things that apply to any building” such as maintenance, the interviewee from Company 6 listed a number of factors that contribute to the success of student housing. He highlighted the need to be responsive to residents. He also suggested that providing different types of units and price points in order to serve the varied needs of students contributes to success. Finally, he discussed the way that the company communicates with students and emphasized that it is important not to condescend to students in marketing materials and to provide more than an empty image.

In follow-up discussions with the consultant from Company 1, a number of additional factors leading to success were suggested. Some of the factors named by this interviewee reflect the opinions of the three participants in the formal interviews, and some do not. These factors for success include:

- A real demand for student housing
- A commitment to growth in the enrollment of the institution
- Control of the real estate by the developer-manager, either through purchasing it outright or through a long term lease
- Cooperation between the institution and the private sector in marketing and other programs
- Proven managerial experience
- Proven delivery experience – on time and on budget
- Control, by the developer, over the construction and delivery of the product
- A true understanding of the student life requirements for the institution
- A business structure with an incentive program that rewards success

Although it is important to understand what factors lead to success, it is also important to have methods and benchmarks in place for measuring that success. Interviewees were asked how their companies do this.

*Measuring success.* Companies 3, 4, and 6 all measure the success of individual projects. The interviewees use financial measurements such as meeting the pro forma, the rental rate that can be charged, the Net Operating Income (NOI), and the Internal Rate of Return (IRR). Performance measurements such as the occupancy rate of the building are also considered.

Although Companies 1 and 5 do not formally measure the success of individual projects, both participants suggested useful measurements of success. The consultant from Company 1 included building a positive long term relationship with the higher education institution as a measure of success for the private sector company. The consultant from Company 5 answered that the measures of success are often a “positive board reaction” and having the building ready for occupancy in sync with the school calendar, rather than in the middle of a term, noting that
“finishing in between starting points doesn’t help anybody.” Despite this observation, this interviewee also noted that working within a university or college setting sometimes seems to be less bound by a compelling force to meet budgets or time constraints because of a lack of “discipline created by necessity” that exists in the private sector.

Companies 3, 4 and 6 report surveying students. Company 3 does so through an outside firm, and also surveys parents – a somewhat unsurprising but probably helpful practice given the rise of parental involvement with the so-called Millennial Generation (Rainey, 2006). An outside firm is used to conduct this research with electronic surveys, with a reportedly high response rate. Company 4 has surveyed students, but does not do so regularly. Company 6 listed the following factors as measurements of success for student residents:

- Condition of the apartment and furnishings
- Responsiveness of the management company
- Amenities such as internet and cable
- Perception of value
- “Whether it is quiet … at least relative to their expectation of quiet”

One aspect of privatization which could impact its success is the alleged reticence towards outsourcing. In order to better understand how to achieve successful partnerships, this was explored.

Reticence towards privatization. In some of the initial interviews, the attitude of higher education administrators towards privatization was identified as a key issue in understanding privatized student housing. This led to the inclusion of a question exploring whether or not the private sector companies had experienced reticence towards privatization in general as a barrier to entry on college and university campuses (if such reticence exists, and the literature review
also indicated that it does, understanding and overcoming that attitude could be a contributing
factor to success). Interviewees were asked what they believed contributes to this reticence or
lack thereof within different institutions and whether that reticence changes at different
hierarchical or departmental levels within an institution. The reasons suggested by the private
sector representatives for this reluctance are summarized in Table 6.

Table 6. What factors contribute to reluctance to enter into a privatization agreement?

<table>
<thead>
<tr>
<th>Company</th>
<th>1 Principal</th>
<th>3 CEO President</th>
<th>4 Vice President for Acquisitions and Finance</th>
<th>5 Senior Managing Director</th>
<th>6 President</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Administrators feel threatened/Turf War</td>
<td>■</td>
<td>■</td>
<td>■</td>
<td>■</td>
<td></td>
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<tr>
<td>Competition with university housing</td>
<td>■</td>
<td>■</td>
<td>■</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of control</td>
<td>■</td>
<td>■</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional hierarchy</td>
<td>■</td>
<td>■</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less skilled capital managers</td>
<td>■</td>
<td>■</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complexity of privatization partnerships</td>
<td>■</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of clarity/transparency</td>
<td>■</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Concern for institutional reputation</td>
<td>■</td>
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<td></td>
</tr>
<tr>
<td>Skepticism about the motives of the private sector</td>
<td>■</td>
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</table>

The interviewees listing a concern over loss of control suggested that it is particularly
loss of control over students, in addition to other facets of student housing.

The consultant at Company 5 added that the feeling that the private sector companies are
treading on the higher education administrators’ turf results in “treat[ing] it adversely from the
beginning of the relationship and it makes developing a good project a little bit more difficult.”
He also noted that the power structure of higher education institutions can impede the process
because often those working with the private sector company do not “have the stature to be good
partners.” That is, investment or construction decisions are made higher up the chain of
command in a university or college setting and driven by factors unrelated to “design
development construction,” which impedes that ability of a facilities officer, for example, to be effective.

He said that while “there are some very good professionals,” the capital managers who work in a university or college setting may not be as highly skilled as their counterparts in the private sector because those highly skilled individuals tend to work for themselves or at a private firm where they can make more money and “it is a better work environment in a lot of ways.” The representative from Company 1 agreed with the latter characterization that people in those positions tend not to be as highly trained or skilled as those in the private sector saying, “it is not their distinctive competence.”

Given these challenges, the interviewees offered potential techniques to overcome such reticence. These techniques are summarized in Table 7.

Table 7. What Can Be Done to Overcome Reticence to Privatized Housing?

<table>
<thead>
<tr>
<th>Company</th>
<th>1</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal President CEO</td>
<td>■</td>
<td>■</td>
<td>■</td>
<td>■</td>
<td></td>
</tr>
<tr>
<td>Vice President for Acquisitions and Finance</td>
<td>■</td>
<td>■</td>
<td>■</td>
<td>■</td>
<td></td>
</tr>
<tr>
<td>Senior Managing Director</td>
<td>■</td>
<td>■</td>
<td>■</td>
<td>■</td>
<td></td>
</tr>
<tr>
<td>President</td>
<td>■</td>
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<td>■</td>
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</tbody>
</table>

Although the interviewee from Company 6 agreed with some of the suggestions offered by the other private sector representatives, he suggested that less formal partnerships might actually be more effective than “a relationship that is murky.” Without clarity about the relationship, he suggested, the deal becomes problematic for all involved, including students and parents. Because the “interests [of the private sector and higher education] are inherently not
aligned” this interviewee advocated for a relationship along the lines of the certified private housing seen at some institutions in which the school gives the facility “the good housekeeping seal of approval” in return for “a certain level of quality or management” but that there is “no more control than that… [no] financial tie to the school.”

Despite this reluctance to enter into a formal partnership with the school, this interviewee’s comments suggest that clarity is very important for the institution; all of the administrators, even those who do not actually shape the partnership, need to understand what it entails and what its implications are for the school and for the students.

The consultant from Company 5 had a number of suggestions to overcome reticence to privatized housing, some of which he described as essentially common sense:

“… around here we call them BFOs or Blinding Flashes of the Obvious. One is just that those ventures, when they are made at the highest level possible within the university, they have a much greater chance of success …. When a partnership is generated high enough up in a university it can break through some of the flak that happens if it is generated out of facilities.”

He also explained that he had experienced situations where the higher education institution did not seem to truly understand all the ramifications of the agreement that was being entered into, and suggested that the institution must be very clear about what is being promised on both sides.

Some of this consultant’s techniques for overcoming reticence were from the perspective of the private sector company. Another “BFO” was that it is essential that the private sector remember that they are working in a unique environment:

“The other thing is just for private sector clients to really try to understand the motivations and realities of working inside an educational institution. It is fairly
easy to say the words and acknowledge them. It is hard to remember when you are seeking approvals or trying to work budgets, or making decisions and you are confronted with the almost communistic-like need for consensus that you forget what you know. You forget that this is a different culture. And you have to build into your working culture the time and effort it takes to talk to a lot more people and listen, not just try to be polite, let them talk and then walk away. So that really, that’s a soft kind of suggestion but I think it is an important one.”

As the rationale has demonstrated, and the above quote emphasizes, there are multiple viewpoints to consider on the issue of privatization. The data from the private sector interviews begins to answer the research question. It is equally important to examine the data from the institutional interviews with higher education administrators.

Higher Education Participants

Descriptive information. As with the private sector representatives, the higher education administrators were asked first about the demographics of their organization related to privatized housing and then about their definitions for and predictors of success (Appendix D). Again, these interviewees spoke to a range of experiences and opinions not always congruent with their current institutional setting. The higher education administrators interviewed fill a variety of positions in their institutions, as demonstrated by Table 8. Four interviewees work in areas related to finance, budgeting, and administration for the university, three in student affairs or student life areas, and three in housing and foodservice. This provides a broad range of viewpoints on the various questions. All participants in the formal interview process make investment decisions for the institution, at least in their particular functional area.
As discussed above, each of the institutions approached to participate in this research was approached because they were listed by a private sector company as being served by privatized housing. However, each institution had a different arrangement regarding privatized housing. The first two participants listed in Table 3, labeled 1a and 1b, are from the same institution. Although they responded to the initial request by saying that their campus does not have privatized housing, they did respond to follow-up questions regarding privatized housing in general. The participants labeled 2a and 2b are also on a campus that does not have privatized housing. However, their institution is currently working on a public-private partnership for a mixed-use development in the area of their campus, and interviewee 2b has experience on other campuses with privatized housing. Interviewee 2a was able to speak generally to the concepts in an informational interview, and suggested interviewee 2b because of his knowledge on and experience with the topic.
There are a variety of potential arrangements for institutional-private sector partnerships to create or improve campus housing, as illustrated above in Figure 3. Table 5 shows the variety of arrangements at participating institutions. While the institutions have facilities under the partnerships structure indicated by Table 9, they may also have other facilities that are not privatized. Different facilities at the same institution may also be developed or managed with different partnerships agreements, such as with the use of a master lease.

Table 9. Partnership Arrangements at Participating Institutions

<table>
<thead>
<tr>
<th>Institution</th>
<th>No Privatized Housing</th>
<th>Privatized Development</th>
<th>Privatized Management</th>
<th>Privatized Ownership</th>
<th>Other Nonprofit Ownership</th>
<th>Certified Private Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>■</td>
<td>■</td>
<td>■</td>
<td>■</td>
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</table>

The interviewees were also asked to elaborate on their experiences with the various partnership structures and whether they have a preference for one or the other. The interviewee from Institution 2 emphasized that the most important thing is that the partnership structure connect to the mission and needs of the particular school, as well as to the location. In his experience, outsourcing the development and management made a lot of sense in his situation, with the exception that the “residential life piece” was provided by the institution rather than the private sector facility developer and manager. The interviewee at Institution 4 agreed that the
preferred model is driven by the mission and needs of an individual institution, noting that factors such as how much housing is available in the area and what rent the institution is willing to charge play a role in determining the best partnership arrangement. He also indicated that the degree of control (especially control over residential life and maintenance plans) an institution wants to maintain will play a role in determining the partnership structure. The interviewee from Institution 6 noted that an institution’s debt capacity can be impacted by the partnership.

These partnership agreements often include stipulations about how the project can be marketed to potential residents, the students at the institution. Often this aspect of the agreement is driven by the ownership of the facility, but not consistently. There can also be agreements between the institution and the private sector controlling the leasing of the rooms when the institution does not own the facility, such as with a master lease. The interviewees from Institutions 5 and 8 emphasized that it is important to be careful not to be overly competitive with other privatized housing in the area, if the institution does not own the facility with which there is a marketing or leasing agreement. The interviewee from Institution 8 also emphasized that even with a marketing plan, it is important that students are placed in a building that is a good fit for them:

“And then you always have to think about who is going to live there. Who is going to want to live there? Do you want it to be special living groups? Athletes? Scholars? … Do you want it to be special environments like living-learning centers? … Are you willing to allow freshman to live in the project? Because once you know your target audience, then you can identify what concerns that audience may have.”
The interviewees from Institutions 3 and 5 are part of the same state system, and the partnerships at both schools are governed by the requirements of that state. Building codes changed in that state and one of the interviewees reported having to replace certain buildings as a result, based on a decision by the Board of Governors. The Board of Governors did not want to “diminish its bond capacity” and “would not provide bond financing as in the past, however, urging [the institution] to partner with [their] foundations, student associations, or similar organizations to build replacement housing.” Institution 5 chose to partner with the school’s student government, which owns the land. This gave students an opportunity to be involved in the privatization process and although it seems to have been an unusual choice, “it worked out great.”

Answers like those above, in combination with the preponderance of public schools listed as having privatized housing, suggested that perhaps there was some relationship between a school’s public or private status and either their use of privatized housing or their attitude toward privatization. Positive and negative responses were evenly divided. Three interviewees believed that being public or private impacted an institution’s attitude toward privatization, generally related to state law or state budgeting decisions. Three interviewees did not believe that public or private status impacted attitude, including the one private institution.
Table 10. Do you think your status as a public/private institution impacts your institution’s attitude towards privatization or the partnerships themselves?

<table>
<thead>
<tr>
<th>Institution</th>
<th>Title</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Financial/Budgeting Positions</strong></td>
<td></td>
</tr>
<tr>
<td>1a</td>
<td>Vice President for Business and Finance/CFO</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Treasurer for the Board of Trustees</td>
<td></td>
</tr>
<tr>
<td>2a</td>
<td>Assistant Vice President and Director, Office of Planning and Budgets</td>
<td>N/A</td>
</tr>
<tr>
<td>3</td>
<td>Vice President for Finance and Administration</td>
<td>■</td>
</tr>
<tr>
<td>6</td>
<td>Controller</td>
<td>■</td>
</tr>
<tr>
<td></td>
<td><strong>Student Affairs/Student Life Positions</strong></td>
<td></td>
</tr>
<tr>
<td>1b</td>
<td>Vice President for Student Affairs/Dean of Students</td>
<td>N/A</td>
</tr>
<tr>
<td>4</td>
<td>Associate Vice Chancellor for Student Affairs</td>
<td>■</td>
</tr>
<tr>
<td>5</td>
<td>Vice President for Student Life</td>
<td>■</td>
</tr>
<tr>
<td></td>
<td><strong>Housing/Foodservice Positions</strong></td>
<td></td>
</tr>
<tr>
<td>2b</td>
<td>Assistant Vice President for Housing and Foodservices</td>
<td>Maybe</td>
</tr>
<tr>
<td>7</td>
<td>Director of Housing and Residential Education</td>
<td>■</td>
</tr>
<tr>
<td>8</td>
<td>Director of Housing and Residence Life</td>
<td>■</td>
</tr>
</tbody>
</table>

Although Institutions 3 and 5 are part of the same state system, the representative from Institution 3 emphasized that their “attitude toward privatization has more to do with the financing policy of the 14-school … State System of Higher Education, as directed by its leadership, the Board of Governors” than generally being a public institution.

*Evaluating private sector partners.* In addition to sharing descriptive information about the institutions, the interviewees described the factors they consider when selecting a private sector company to work with for the purpose of privatization. This question was asked to establish, in part, what the expectations of the higher education administrators are. Understanding expectations may help to define what a successful partnership would entail. The factors most frequently named by the higher education administrators are the reputation and references of the private sector company, past performance of the private sector company, the potential for financial cost or return to the institution based on the agreement being offered, and
the proposals offered during the bid process. Particularly for the public schools, the bidding process for an institution may be determined by state mandate, which can limit flexibility in selecting a private sector organization to partner with. Table 11 shows all of the factors the various institutional representatives reported considering as part of the decision making process. Factors are listed in declining frequency.
Table 11. *What factors do you consider when selecting a developer to work with when considering building privatized housing?*

<table>
<thead>
<tr>
<th>Financial/Budgeting</th>
<th>Student Affairs</th>
<th>Student Life</th>
<th>Housing/Foodservice</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3</strong></td>
<td><strong>4</strong></td>
<td><strong>5</strong></td>
<td><strong>2b</strong></td>
</tr>
<tr>
<td>Vice President</td>
<td>Associate</td>
<td>Vice</td>
<td>Assistant</td>
</tr>
<tr>
<td>for Finance and</td>
<td>Vice Chancellor</td>
<td>President</td>
<td>President for</td>
</tr>
<tr>
<td>Administration</td>
<td>for Student</td>
<td>for Student</td>
<td>Housing and</td>
</tr>
<tr>
<td>Controller</td>
<td>Affairs</td>
<td>Life</td>
<td>Foodservices</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Director of</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Housing and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Residential Education</td>
</tr>
<tr>
<td>Reputation</td>
<td></td>
<td></td>
<td>Director of</td>
</tr>
<tr>
<td>References</td>
<td></td>
<td></td>
<td>Housing and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Residence Life</td>
</tr>
<tr>
<td>Past Performance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Cost &amp;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bid Process</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Understanding</td>
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<td></td>
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<tr>
<td>of Student Affairs</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>&amp; Residence Life</td>
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<td></td>
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<tr>
<td>Product quality</td>
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<tr>
<td>Skills of the</td>
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<tr>
<td>property manager</td>
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<tr>
<td>Comfort with the</td>
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<td></td>
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<tr>
<td>project team</td>
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<tr>
<td>Design</td>
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<td></td>
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<tr>
<td>Relationship with</td>
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<tr>
<td>institution</td>
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<td></td>
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<tr>
<td>Willingness to</td>
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<td></td>
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<tr>
<td>negotiate</td>
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<td></td>
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<tr>
<td>Feasibility of</td>
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<td></td>
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<tr>
<td>Proposal</td>
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<td></td>
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<tr>
<td>Communication</td>
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<td></td>
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<tr>
<td>Willingness to</td>
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<tr>
<td>think outside the</td>
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<tr>
<td>box</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Size of the company</td>
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<td></td>
</tr>
<tr>
<td>Personal relationship</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>with company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Understanding of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>institutional goals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact on town/gown</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>relations</td>
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</tbody>
</table>


The duration of many of these partnership agreements further underscores the importance of selecting an appropriate partner for the institution. As the interviewee 2b explained:

“it’s a long term relationship with the university, so you need to feel comfortable with the people you are going to be working with. It’s not like they are going to build it and give you the keys and walk away. They are basically going to be managing it for thirty years so you want to get a sense of: one, what was the reputation; two, have they done similar projects; and three, do their goals match the institutional goals? …. We wanted to make sure this was a company that was going to be around.”

Statements like this, emphasizing the long-term nature of these relationships, help to highlight the importance of creating a strong and lasting partnership.

Factors impacting success. In order to further explore the higher education administrators’ definition of a successful project, they were asked what factors impact the likelihood of success, a major component of the research question. The most frequent response was supply and demand. The interviewees’ responses were also placed in this category if they answered only that you need the population to fill the rooms, or if they only mentioned what other housing was available to students. Some respondents mentioned only supply or demand, and some mentioned both. The answers have been combined because of their inherent connection in the marketplace. After supply and demand, providing value to the students and providing sense of safety and control were the most frequent given answers. The complete list of factors contributing to success is listed in Table 12.
Table 12. *What factors impact the likelihood of a project’s success?*

<table>
<thead>
<tr>
<th>Financial/Budgeting</th>
<th>Student Affairs</th>
<th>Housing/Foodservice</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>4</td>
<td>2b</td>
</tr>
<tr>
<td>Vice President for Finance and Administration</td>
<td>Associate Vice Chancellor for Student Affairs</td>
<td>Assistant Vice President for Housing and Foodservices</td>
</tr>
<tr>
<td>6</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Controller</td>
<td>Vice President for Student Life</td>
<td>Director of Housing and Residential Education</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Director of Housing and Residence Life</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>2b</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply &amp; Demand</td>
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<tr>
<td>Value for students</td>
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<tr>
<td>Perception of safety</td>
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<tr>
<td>Location</td>
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<tr>
<td>Meeting the pro forma</td>
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<tr>
<td>Quality of product</td>
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<tr>
<td>Good relationship with institution</td>
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<tr>
<td>Ability to be self supporting</td>
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<tr>
<td>Available land</td>
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<tr>
<td>Feels connected to the university</td>
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<tr>
<td>Design</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Understand target audience</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability to accomplish project in budget</td>
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<tr>
<td>Environmental concerns</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meet university requirements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stability in the private sector organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Privately held private sector organization</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Clear expectations</td>
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</tr>
</tbody>
</table>
Measuring Success. The higher education administrators were also asked if they measure the success of individual projects. Although not all of them answered in the affirmative, those who did typically named occupancy and popularity with students as being the most significant measure. Some of the respondents also referred to having a wait list. Following occupancy rate, the ability of the project to meet budget projects and the cost to students of the facility were named as important measures of success. The complete list of measures used by the institutions is available in Table 13.

Table 13. What factors are used to measure a project’s success?

<table>
<thead>
<tr>
<th>Financial/Budgeting</th>
<th>Housing/Foodservice</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Vice President for Finance and Administration</td>
<td>Controller</td>
</tr>
<tr>
<td>Assistant Vice President for Housing and Foodservices</td>
<td>Director of Housing and Residential Education</td>
</tr>
</tbody>
</table>

- Occupancy
- Popularity with students
- Ability to meet budget projections
- Cost to students
- Quality
- Maintenance needs
- Strength of management operations
- Performance of manager
- Design
- Silver LEED certification
- Cost to and revenues generated for the foundation
- Residential Life programs

Although Institution 5 does not formally measure the success of its housing facilities, the interviewee from that institution mentioned that high occupancy and a lack of disciplinary issues in the facility were considered signs of success.

In addition to exploring the institution’s perception of success, the interviewees were asked how they thought that students measured success. Although they were not always specific about method, all of the institutions reported measuring student satisfaction either formally or
informally. At least two of the respondents indicated that occupancy is considered sign of satisfaction among students. Factors thought to lead to student satisfaction include:

- Value
- Amenities
- Fewer regulations
- Move-in process
- Roommates/Assignment method for roommates/Ability to change roommates
- Security
- Privacy
- Environment
- Room conditions
- Foodservice
- Residential life programs
- Social environment

Value and amenities were both mentioned by two respondents as being factors contributing to student satisfaction. The other items on the list were each mentioned once.

Reticence towards privatization. In response to information from the literature and feedback from initial information interviews, both higher education administrators and the private sector representatives were asked about the alleged reluctance on the part of higher education institutions to enter partnerships with a for-profit or outside organization. Interviewees were asked if they had experienced or observed such reluctance, what factors they believe contribute to this attitude. All of the higher education administrators, except the interviewee from Institution 6, agreed that such reluctance exists. The interviewee from Institution 4 noted that the reluctance varies across institutions and within institutions. The most frequently suggested reason is the loss of control that comes with entering into a privatization agreement. As respondent 1b explained, “the greater degree the partner is invested, the larger amount of control is expected … this may compromise the degree to which the university can implement its programming.” Other factors named frequently include the inherently different
philosophies of higher education and the private sector, the complexities of privatization agreements, the importance of the educational component of residence life and the concern that private sector companies are not adept at providing that function, and the concern that private sector companies are too disconnected from the institutional mission and understanding its importance. The complete list of reasons for this reluctance is summarized in Table 14.
Table 14. What factors contribute to a reluctance to enter into a privatization agreement?

<table>
<thead>
<tr>
<th>Financial/Budgeting</th>
<th>Student Affairs Student Life</th>
<th>Housing/Foodservice</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a Vice President for Business and Finance</td>
<td>2a Assistant Vice President and Director, Office of Planning and Budgets</td>
<td>1b Vice President for Student Affairs Dean of Students</td>
</tr>
<tr>
<td>2a Assistant Vice President and Director, Office of Planning and Budgets</td>
<td>Vice President for Finance and Administration</td>
<td>Associate Vice Chancellor for Student Affairs</td>
</tr>
<tr>
<td>3</td>
<td>Vice President for Student Affairs Dean of Students</td>
<td>Vice President for Student Life</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>2b Assistant Vice President for Housing and Foodservices</td>
</tr>
<tr>
<td>7</td>
<td>8</td>
<td>Director of Housing and Residential Education</td>
</tr>
<tr>
<td>Assistant Vice President for Housing and Foodservices</td>
<td>Director of Housing and Residence Life</td>
<td></td>
</tr>
</tbody>
</table>

- Loss of control ■ ■ ■ ■
- Differing philosophies of higher education and the private sector ■ ■ ■ ■
- Complexity of privatization agreements ■ ■ ■ ■
- Residence life has an important educational component ■ ■ ■ ■
- Disconnect of private sector from institutional mission ■ ■ ■ ■
- Differing operational goals of higher education and private sector ■ ■ ■ ■
- Concern that facilities will not be properly maintained ■ ■ ■ ■
- Concern that the facility will not meet institutional needs ■ ■ ■ ■
- Concern about cutting corners, particularly in programming ■ ■ ■ ■
- Negative impact on town/gown relations ■ ■ ■ ■
- Disparity over who is in control ■ ■ ■ ■
- Feel threatened/turf war ■ ■ ■ ■
- Impact on institutional financial status ■ ■ ■ ■
- Legal liability ■ ■ ■ ■
After discussing the reasons for the reluctance on the part of higher education institutions or administrators to explore privatization, the interviewees were asked if there are any action steps which could improve acceptance of such a partnership on the part of various management or departmental levels within the institution or the private sector partner. The most frequently mentioned strategy was to make sure that a strong partnership structure that both parties accept is in place. Another frequent answer was working toward a mutual understanding of both partners’ goals. All of the steps to improve acceptance are summarized in Table 15.

Table 15. *What steps would improve acceptance of privatization?*

<table>
<thead>
<tr>
<th>Financial/Budgeting</th>
<th>Student Affairs Life</th>
<th>Housing/Foodservice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building a strong partnership structure</td>
<td>■</td>
<td>■</td>
</tr>
<tr>
<td>Mutual understanding of goals</td>
<td></td>
<td>■</td>
</tr>
<tr>
<td>Transparency</td>
<td>■</td>
<td>■</td>
</tr>
<tr>
<td>Private sector understands institutional mission</td>
<td></td>
<td>■</td>
</tr>
<tr>
<td>Being informed of current privatization theories and practices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agreement has financial value</td>
<td>■</td>
<td></td>
</tr>
<tr>
<td>Decisions are made by consensus</td>
<td></td>
<td>■</td>
</tr>
<tr>
<td>Clear communication</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Emerging Themes. After the data from the private sector interviews and the higher education interviews were coded, certain important ideas informed by the research question emerged. These ideas were grouped into four categories:

- Definition of success
- Factors leading to success
- Factors promoting partnerships
- Factors impeding partnerships.

These categories were then used in an artifact analysis of the websites of both the housing departments of the higher education institutions and the websites of the private sector companies.

Artifact Analysis

The websites of the institutions and the companies were analyzed in order to see if they reflected the same or similar ideas as those emerging from the interviews. One of the ideas emerging from the interviews with individuals in both the private sector and higher education was the need for clarity, transparency, and effective communication when entering a privatization agreement. Presumably, these interviews illustrate what (at least a sample of) these populations are thinking. The question then becomes, what are they communicating to their target audience? The private sector websites were analyzed to determine if their marketing message to institutions coincides with their understanding of success.

Many of the private sector organizations also have websites targeting student residents. Often the institution includes a link to this page from the official school website, depending on the specifics of the privatization agreement. Many of these websites are highly detailed and sophisticated. However, for the purposes of this artifact analysis the focus is on the private sector
websites targeting the institutions rather than private sector sites targeting students because the focus of the research question is on the partnership aspects of privatization.

The higher education websites were analyzed to determine if their marketing to students coincides with their understanding of success.

**Private Sector Websites**

The websites for the companies that participated in the formal interview process were reviewed. Table 16 summarizes the themes that were apparent from the corporate websites targeted at potential clients. Below each theme are bullet points highlighting examples of how the companies suggest that these themes are achieved; these are only a sample of the items mentioned, and while there is overlap, each company may not have specifically mentioned each bullet point. For example, while all of the companies emphasized excellence in design, they did not all suggest that one way to achieve this is through sustainable or LEED certified design.

Each theme is accompanied by illustrative quotes from the companies’ websites for the purpose of providing details of the way the themes are expressed by the private sector.

It should also be noted that those companies that do not emphasize student-oriented themes such as residence life and safety on the corporate website typically have separate websites for the individual facilities aimed at students where those themes do appear. As mentioned above, those websites are often linked to the institutional site of the college or university that the facility serves.
### Table 16. Themes in the Private Sector Websites

<table>
<thead>
<tr>
<th>Themes</th>
<th>Illustrative Quotes</th>
<th>Private Sector Companies</th>
</tr>
</thead>
</table>
| Experienced                        | ▪ “Our experience has taught us that maintenance of the highest quality housing ensures that students will meet high standards as residents”  
▪ “Our team’s focus is to foster enduring partnerships dependant on mutual trust and respect”                                                                                                                                      | ■ ■ ■ ■                   |
| Sensitive to the institution       | ▪ “Each project is unique to the campus in architectural design, unit mix, and programming areas.”  
▪ “Our … expertise and strong values enable us to clearly understand our partner’s vision, and adopt it as our own”  
▪ “We combine state-of-the-art methods for real estate analysis and modeling with the understanding and sensitivity to the unique nature, mission, and specialized considerations of colleges [and] universities” | ■ ■ ■ ■                   |
| Quality design and construction    | ▪ “Our state-of-the-art facilities, innovative technology, and experienced management staff truly offer the ultimate living experience for residents”                                                                                                                                  | ■ ■ ■ ■                   |
| Student oriented                   | ▪ “These college communities are managed with sensitivity to the special needs and desired of students while maintaining strict but fair guidelines for occupancy …. treating students as adults encourages them to behave as adults”  
▪ “A highlight of the … residence life program is our commitment to the creation of living-learning communities that encourage student involvement, foster social awareness, and help students learn to improve their interpersonal skills”  
▪ “it is our goal to promote the social, cultural, and educational advantages of group living through interactions with the residential community and with outreach opportunities on campus”  
▪ “Provide the student with high quality living, designed to meet University needs and offer the wide array of amenities that today’s college student seeks”                                                                 | ■ ■ ■ ■                   |
| Safety                             | ▪ “Safety is a major concern on every college campus”                                                                                                                                                                                                                       | ■ ■ ■ ■                   |
| Financial measures                 | ▪ “financially feasible solution to attracting and retaining students on campus”  
▪ “Our team of experts enables our clients to create quality living communities while improving financial performance”                                                                                                                                              | ■ ■ ■ ■                   |
**Higher Education Websites**

The websites for the institutions served by privatized housing were examined to see if the message to prospective residents, students, are congruent with the measurements of success in student housing indicated by the schools. As above, important themes emerging from the websites are summarized alongside illustrative quotes in Table 17. It should be noted that while all of the institutions do mention student safety on their websites, because it is a campus-wide issue, this topic is generally its own part of the site, separate from the housing area, and therefore is not dealt with here.

**Table 17. Themes in the Higher Education Websites**

<table>
<thead>
<tr>
<th>Themes</th>
<th>Illustrative Quotes</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning opportunities</td>
<td>“Programs and activities in the halls are designed for you to have fun while promoting your personal growth and development”</td>
<td>3 4 5 6 7 8</td>
</tr>
<tr>
<td></td>
<td>“out-of-classroom learning experiences will be a significant part of your college education”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>“‘Learning by living,’ our motto, gives undergraduate students a opportunity to excel in the classroom and at home”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>“we are committed to building a diverse, cohesive community by providing a full residential living experience, complete with educational and social programs”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>“provides campus housing to enhance the intellectual climate … promote student learning and citizenship”</td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td>“Our staff are thoroughly trained to best serve your needs and ensure you have a positive experience while living with us.”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>“The University Housing’s network of professionals … are here to support, encourage, and challenge your child along the way …. experts in building community, supporting academic access, providing excellent nutrition, and maintaining clean, comfortable facilities that take worry away and help students focus on why they came to college”</td>
<td></td>
</tr>
<tr>
<td>High quality facilities</td>
<td>“Choose from a variety of architectural and geographical options across campus and find a community that fits your style.”</td>
<td>3 4 5 6 7 8</td>
</tr>
<tr>
<td></td>
<td>“University Housing offers a wide range of amenities and services to make your staff with us an enjoyable and memorable one”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>“proud to offer some of the most innovative and unique housing available nationwide”</td>
<td></td>
</tr>
<tr>
<td>Value</td>
<td>“People and activities are not the only reason to live in a residence hall. It is convenient. Lodging, food, local telephone services, cable access, and other amenities are available for one low price.”</td>
<td></td>
</tr>
</tbody>
</table>
Consolidated Data Summary

Although the data were collected from multiple sources using multiple methods and have been summarized separately, they will be considered together (alongside the literature) for the purposes of interpretation. To that end, key points of data from all sources are summarized in Table 18.

Table 18. Consolidated Data Summary

<table>
<thead>
<tr>
<th>Higher Education</th>
<th>Private Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definition of Success</strong></td>
<td><strong>Project fits with general business strategy</strong></td>
</tr>
<tr>
<td>• Project is appropriate to mission</td>
<td>• Financial benefits</td>
</tr>
<tr>
<td>• Meeting financial measurements</td>
<td>• On budget</td>
</tr>
<tr>
<td>• High quality, well designed facility</td>
<td>• On time</td>
</tr>
<tr>
<td>• Well managed facility</td>
<td>• Building a long-term relationship with the institution</td>
</tr>
<tr>
<td>• Well maintained facility</td>
<td>• Positive board reaction</td>
</tr>
<tr>
<td>• Provides value to students</td>
<td>• Design elements</td>
</tr>
<tr>
<td>• Low cost to students</td>
<td>• Well managed</td>
</tr>
<tr>
<td>• Safe</td>
<td>• Well maintained</td>
</tr>
<tr>
<td>• Self-supporting</td>
<td></td>
</tr>
<tr>
<td>• On budget</td>
<td></td>
</tr>
<tr>
<td>• Feels connected to the university</td>
<td></td>
</tr>
<tr>
<td>• High occupancy, popular with students</td>
<td></td>
</tr>
<tr>
<td>• Appropriate residential life programming</td>
<td></td>
</tr>
<tr>
<td>• Meets university needs</td>
<td></td>
</tr>
<tr>
<td>• LEED certified</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factors Leading to Success</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Appropriate supply and demand</td>
<td>• High barriers to entry</td>
</tr>
<tr>
<td>• Location</td>
<td>• Appropriate demographics of an institution</td>
</tr>
<tr>
<td>• Working with an experienced, reputable partner</td>
<td>• Location</td>
</tr>
<tr>
<td>• Skilled managers</td>
<td>• Growth characteristics of the Institution</td>
</tr>
<tr>
<td>• Strong relationship with partner</td>
<td>• Good relationship with the public sector partner</td>
</tr>
<tr>
<td>• Available land</td>
<td>• Private sector provides management</td>
</tr>
<tr>
<td>• Being informed of current privatization theories and practices</td>
<td>• Understand the target audience</td>
</tr>
<tr>
<td>• Decisions are made by consensus</td>
<td>• Market conditions</td>
</tr>
<tr>
<td>• Positive impact on town/gown relations</td>
<td></td>
</tr>
<tr>
<td>• Achievable/feasible goals</td>
<td></td>
</tr>
<tr>
<td>• Understanding the target audience</td>
<td></td>
</tr>
</tbody>
</table>
Table 18. *Consolidated Data Summary (continued)*

<table>
<thead>
<tr>
<th>Factors</th>
<th>Higher Education</th>
<th>Private Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoting Partnerships</td>
<td>Building strong partnerships</td>
<td>Strong relationships</td>
</tr>
<tr>
<td></td>
<td>Mutual understanding of goals</td>
<td>Strong leadership</td>
</tr>
<tr>
<td></td>
<td>Transparency</td>
<td>Understanding of institutional motivation and goals</td>
</tr>
<tr>
<td></td>
<td>Comfort with the private sector partner</td>
<td>Trust</td>
</tr>
<tr>
<td></td>
<td>Experienced private sector partner</td>
<td>Clarity</td>
</tr>
<tr>
<td></td>
<td>Private sector partner with an understanding of institutional mission and the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>importance of student life and residential life</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Communication</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Willingness of the private sector to think outside the box</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stable private sector partner</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Good communication</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Clear expectations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Willingness of private sector partner to negotiate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Administrators feel threatened/turf war</td>
<td></td>
</tr>
<tr>
<td>Impeding Partnerships</td>
<td>Concern about loss of control</td>
<td>Concern about competition with university housing</td>
</tr>
<tr>
<td></td>
<td>Differing philosophies of higher education and the private sector</td>
<td>Loss of control</td>
</tr>
<tr>
<td></td>
<td>Complexity of privatization agreements</td>
<td>Institutional hierarchy</td>
</tr>
<tr>
<td></td>
<td>Disconnect of private sector from institutional mission</td>
<td>Less skilled capital managers</td>
</tr>
<tr>
<td></td>
<td>Differing operational goals of higher education and private sector</td>
<td>Complexity of partnerships</td>
</tr>
<tr>
<td></td>
<td>Concern that facilities will not be properly maintained</td>
<td>Lack of clarity/transparency</td>
</tr>
<tr>
<td></td>
<td>Concern that facility will not meet institutional needs</td>
<td>Concern for institutional reputation</td>
</tr>
<tr>
<td></td>
<td>Concern about cutting corners, particularly in programming</td>
<td>Skepticism about the motives of the private sector</td>
</tr>
<tr>
<td></td>
<td>Negative impact on town/gown relations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Disparity over who is in control</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Feel threatened/turf war</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Concern about impact on institutional financial status</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Concern about impact on legal liability</td>
<td></td>
</tr>
</tbody>
</table>

Analyzing the collected data through the lens of the literature review will allow an answer to the research question to be developed.
Data Interpretation

Four important themes emerged from the research question, the literature and the collected data. These themes are:

- Defining success in privatized student housing
- Factors leading to success in privatized housing
- Factors promoting partnerships between the public and private sectors in privatized student housing
- Factors impeding partnerships between the public and private sectors in privatized student housing

There is some overlap between the themes because the partnerships themselves are considered success factors for the projects; the factors which positively and negatively impact partnerships are crucial to understand because the partnerships themselves are a fundamental element of privatization. This connection between successful partnerships and successful privatization ventures is reflected in the data.

The necessity of building a strong partnership was mentioned by interviewees in both groups, as well as on the company websites. As the interviewee from Company 3 explained, “If you are going to be successful you have to get along, and we work very hard at being a team player.” This need for an enduring partnership was echoed by interviewee 2b, “In the relationship we had with the developer … after five years, things didn’t change. They said who they were, they brought the team from the interview though the whole project …. So that was real important, those relationships and the stability within the organization are key to making it successful.” This emphasis on partnerships also appeared on the company websites: “Our team’s focus is to foster enduring partnerships.” The consistency of this theme reinforces one aspect of
the rationale for this research, that it is important to understand how partnerships work, and sets
the stage for exploring the themes of successful projects and partnerships.

The four themes will be used as a framework for integrating the findings in the data
summary and the literature review. Where ideas emerged that were not explored in the literature
review, additional literature research was completed in order to validate the new ideas the data
presented.

*Defining success in privatized student housing*

In order to understand the factors leading to success, it is important to know how higher
education and the private sector define success. A number of different measurements for success
are suggested by the data and the literature. Some of these are overlapping, and some are only
used by one of the sectors.

*Overlapping Measures of Success*

Some measures of success are used by both sectors, particularly objective measures. The
interviews with both the private sector and higher education indicated a reliance on various
financial benchmarks to measure success. Examples of these include finishing the project on
budget and the facility’s ability to be self-supporting. The websites also demonstrated the use of
financial measures of success. The company websites suggest that partnering with them will
bring “improve[ed] financial performance” and offer value to the students: “Our apartment
communities are fun, conveniently located, and a great value.” Similarly, the institutional
websites indicated to students that living in the residence halls provided a good value. This
reliance on financial measures is reflected in the literature, which suggests that most institutions
turn to privatization for financial reasons: “in reality the main driver for growth [of privatization]
is that PPPs avoid limitations” on institutional budgets” (Yescombe, 2007, p. 15).
Other objective measures used by both sectors include finishing a project on time and a high occupancy rate in the finished building. The shared goal of finishing the project on time is also supported by the literature, which suggests that the ability of the private sector to finish on time may be better than the ability of a higher education institution to finish a construction project on time: “It is claimed that the private sector has greater expertise in managing complex projects, and hence delivering them on time” (Yescombe, 15, p. 22). This enhanced ability to deliver a product on time is another reason typically given in the literature for engaging in outsourcing. It should be noted that “on-time” is a particularly important concept in student housing. Readiness for occupancy needs to be driven by the institution’s calendar. Housing is perishable inventory; every day it stands empty is inventory that is gone and cannot be sold. A new residence hall that cannot be used until after the term begins can potentially cost the institution money and create administrative headaches, as well as impacting the student experience.

Having available objective measurements allows both the schools and the companies to analyze whether the project is successful, at least from that perspective. This ability to set standards and be accountable for meeting them is becoming increasingly important in higher education; a call for accountability was issued the Spellings Commission Report (2006), *A Test of Leadership: Charting the Future of U.S. Higher Education*. While this movement towards assessing how well higher education meets standards has its critics (A.A.U.P., n.d.), it is also a sign that the culture is changing. Working with a private sector firm to provide student housing may help colleges and universities respond to this new challenge. As some of the interviewees discussed, publicly-traded firms have to answer to a governing board, which has made those
companies far more accustomed to this type of accountability than higher education is – recent examples of corporate misbehavior notwithstanding (A.P., 2008).

All of the institutional interviewees identified occupancy as a measure of success, linking it to the idea of “student acceptance” of a project. Although the private sector interviewees seemed to be more focused on distinctly financial measures, the Internal Rate of Return (IRR) for example, using performance measures such as occupancy rate was mentioned. Both of these measures, finishing a project on time and occupancy rate, will impact the financial measures. The importance of the occupancy rate raises questions about what inspires students to live in a particular place. This ability of the student to choose is strategically important when developing new housing; how many other housing options are there to choose from?; are there rules governing where they may or may not live? Although it is outside the scope of this project, that question raises ideas for future study. It may also be tied to the idea of a student persisting at school, a concept mentioned in the literature and by some of the institutional interviewees, and which is inarguably a goal for higher education institutions.

As discussed above, the partnerships themselves are success factors in privatization ventures. Arguably less objective, but still important to both groups, is the development of a healthy, long-term relationship between the two organizations. As the interviewee from Company 4 said, “we try to create relationships with the key people of the university administration …. We always start at the university to try and create a good relationship because at the end of the day we are partners.” The interviewee from Institution 4 explained that the quality of the experience for the university is driven by “the company, the institution, and how good that partnership is going in to the process.” The company websites also demonstrate the
importance of developing the partnership: “We take pride in our relationship-and-performance-driven processes.”

The literature highlights certain difficulties of developing this type of relationship, such as the complex structure and potential cultural and human resource issues, but also suggests that it is possible to overcome these issues by implementing an appropriate degree of control over the partnership, building trust between the partners (Das & Teng, 1998), and shared goals (Rackham, et al., 1996, p. 175). These techniques for improving partnerships might be implemented at the beginning of the privatization process, to hopefully improve the connection between the two groups.

Supporting the institution’s mission was important to both groups. Institutions consider the project a success if the facility is a good fit with the institutional mission. When asked if he had a preference for how the partnership was structured, an interviewee from Institution 2 explained that “you’ve got to start with institutional mission.” The private sector acknowledges that being aware of and sensitive to institutional mission is a precursor to success. The theme of institutional mission was clear from the beginning of the interviews with private sector representatives. An informational interview with Company 2 emphasized that “some [institutions] take the view that housing their customers is part of their core mission.” The company websites demonstrate this understanding, promising the ability to develop and manage projects that are “complementary to University’s vision.” The literature indicates both that institutions are, or should be, mission-driven organizations (Zemsky, et al., 2005), and that housing is increasingly considered an important part of the college experience (Smith, 2000), increasing the need for a new building to be appropriate to the educational goals and mission of the institution.
Providing good design in a project was also seen as a measure of success, although less frequently than the other measures discussed. The interviewee from Company 6 emphasized the amount of work and financial investment that goes into a design, whether a new construction project or a renovation of an existing building. He also mentioned the need to provide a wide variety of unit types as one aspect of the design. Another aspect of design emphasized by the interviewee from Institution 3 was the ability to take environmental factors into consideration, such as “unknown sub-surface conditions [which] can add to the risk and cost of a project” and meeting certain levels of LEED specifications. The interviewee from Institution 6 suggested the “flexibility of the space” was also important. The company websites did put emphasis on the design of the facilities, promising a project that is “unique … in architectural design” with “state-of-the-art facilities.” The institutional websites also suggest that design is an important measure of success. Students are typically provided with information about each individual residence hall’s design features, including unit floor plans, images of the building, and furniture descriptions. The literature also emphasizes the importance of design: “Architecture may be beautiful, but it should be more than that; it must enclose space in which certain activities can take place comfortably and efficiently” (Sommer, 1969, p. 5). This strengthens the idea that outsourcing may be an improved way to provide student housing; the literature suggests that the private sector companies are more adept at innovating within their area of expertise, such as building design, than a college or university would be (Yescombe, 2007). It also suggests that research into the best design for residence halls would be beneficial to the industry.

Once a building is designed and built, facility management and maintenance are considered important by both groups. All of the companies who engage in management prefer to include that aspect in the privatization agreement. According to interviewees, it is typically more
successful for them from a business standpoint, and makes more sense to them when core competencies are considered. Management needs to “be responsive” to residents and the building must “be well maintained and you have to fix stuff right away.” The institutions also suggested that the degree to which the management and maintenance programs for the facilities are successful impacts the success of the venture. Websites from the companies emphasized their ability to provide these services. One private sector website reads: “experience has taught us that maintenance of the highest quality housing ensures that students will meet high standards as residents,” a sentiment that has been echoed by other private sector representatives.

Institutional websites suggested that management and maintenance are important by introducing the staff on the website and providing a function on the website where students can contact building management if there are issues with their unit. While maintenance concerns on school websites do tend more towards regulations governing treatment of the facilities and instructions for how to get something fixed, it is clearly a priority for schools as well.

The literature also emphasizes the importance of maintaining facilities, with a particular focus on the dangers of deferred maintenance, the practice of setting aside repairs in facilities to free the funds for other projects (Goldstein, 2005). This focus on maintenance is intertwined with the notion that privatization partnerships are typically very long term agreements, supporting the notion that they need to be thoughtfully arranged.

After considering shared measures of success, each sector’s measures will be considered independently.

_Private Sector: Measures of Success_

Other than the objective measures and relationship building that the private sector shares with higher education as defining success, interviews with the private sector suggested that a
positive board reaction can be used to gauge, and therefore define success. Essentially, from a
business perspective, this can be understood as client satisfaction. The literature supports the
perspective that the governing board of an institution is a very important stakeholder. Board
responsibilities often include: “appointing, setting the compensation for, and evaluating … chief
executives; strategic planning, budgeting (operational and capital), and allocating resources …
maintaining the institution’s assets (human, programmatic, and physical) and ensuring alignment
of these assets with institutional mission; developing and implementing policy on a wide range
of institutional concerns … without approval of external agencies or authorities” (McGuinness,
2005, pp. 208-209). This range of roles and responsibilities of institutional boards suggests that
their satisfaction is important both to the university community and to supporting a long-term
relationship between the institution and the private sector entity. It is surprising that this was not
an element of success mentioned by the higher education administrators. Given the support of
the literature for the importance of the governing board, this suggests that the private sector may
be more in tune with the mission and culture of institutions than the administrators believe them
to be.

Higher Education: Measure of Success

The primary measure of success suggested by the higher education administrators that
was not mentioned by the private sector interviewees was the safety of the building. The school
websites emphasize safety on campus; often pages are dedicated to the topic. The private sector
interviewees did discuss the importance of safety, and the company websites do make mention of
its importance, but it is not mentioned as one of the ways that success is measured or defined.
The literature also supports the importance of safety. Safety issues on campus, especially those
related to facilities, can have a lasting impression on a campus (Dillman, R. P. & Klingel, J. W.,
The fact that higher education administrators (and students and parents, presumably) place such a premium on safety that it is how success is defined suggests that private sector companies need to either become more aware of this issue, or better at expressing that it is an important concern, if the awareness is already there.

The above data contribute to developing a shared definition of a successful privatized housing project. With the meaning of success better understood it is possible to examine how that success might be achieved. This raises the question, what do the data say about the factors that contribute to achieving success?

Factors leading to success in privatized housing

As with the definition of successful housing, the private sector and the institutions are in agreement about many of the factors. Each sector also has a separate understanding of what helps to create success.

Overlapping Factors Leading to Success

Although the two sectors share a number of characteristics that they believe lead to success in privatized housing, the primary shared factors mentioned are various market characteristics. These include: an appropriate supply and demand of rooms and students to live in those rooms, a well developed enrollment plan and understanding of the growth characteristics of the university which will impact the supply of residents in the future, and available land. Both groups consider the location of the proposed housing to be important. Although these were themes that emerged less frequently, if at all, on both sector’s websites, many of the company websites expressed their ability to analyze these characteristics, touting “state-of-the-art methods for real estate analysis and modeling.” The sectors agree that understanding another aspect of the market, the target audience, is also important. The need to understand the market is supported by
the literature: “If the three most important factors in real estate are ‘location, location, and location,’ it should be clear … that the three most important factors in real estate development are ‘the market, the market, and the market.’ Real estate developers who forget this lesson usually fail; those who carefully and correctly analyze the market usually succeed” (Floyd & Allen, 2002, p. 380). This emphasis on understanding the market, particularly enrollment patterns and student needs, suggests that greater interdepartmental work may be needed across the university. For example, the goals of the housing project probably need to be developed by the institution and the private sector company, but this should be done in conjunction with the enrollment management or admissions department at the university, so that all of the relevant information is available as goals are being developed. Higher education administrators have advocated for greater connections between university departments (Bok, 2006); this is another example of that need for institutional cohesion.

Both groups again emphasized the need for a strong partnership, as has been discussed in previous suggestions.

The private sector entities and the higher education institutions agreed that talented property managers were important to the success of the project. The interviewee from Company 6 emphasized the need to have property managers with a “sophisticated” understanding of the unique management needs of student housing, as compared to the management needed for an apartment building. Interviewee 2b also emphasized the need for the property manager to have a strong skill set, both in terms of managing the facility and in working with the school. Not surprisingly, the private sector interviewees felt that the private sector should be the entity providing that skilled management. The interviewee from Institution 6 suggested that an attractive element of privatization for institutions is the potential to work with skilled property
managers: “When it is somebody that is a professional building manager, it is more likely than not that they will be more efficient in the physical building management and sometimes in the residence life issue also.” One of the private sector websites promises to manage “with sensitivity to the special needs and desires of students while maintaining strict but fair guidelines.” Secondary sources also show the need for skillful property management: “If … facilities are not managed, they can begin to impact upon an organisation’s [sic] performance. Conversely, … facilities have the potential to enhance performance by contributing towards the provision of the optimum … environment” (Atkin & Brooks, 2005, p. 1).

The factors that lead to success which were not shared by the two sectors were also explored.

*Private Sector: Factors Leading to Success*

At least two of the private sector companies prefer to work in markets with high barriers to entry. The two companies look for different types of barrier, such as high capital investment, “scarcity of land, or difficult land entitlement process,” but both do so to lessen competition against their product. Neither wants to be a “me too project,” they prefer to be in markets with less privatized housing because “the dynamics are much better from an investment standpoint.” In addition, some of the private sector companies considered the demographics of the student body, looking beyond simple enrollment numbers at the student body that would be served by the housing. While the websites of the private companies do mention that the companies use carefully analyzed investment strategies, these strategies are typically not elaborated.

*Higher Education: Factors Leading to Success*

Factors impacting success suggested by the higher education administrators included staying abreast of current theories in student housing and privatization, making important
decisions by consensus, setting feasible goals, and the existing town/gown relationship between the school and its surrounding community and the project’s potential for impacting that relationship. These tended not to be reflected in the school websites. Many of them are, however, reflected in the literature.

The propensity of academic communities to make decisions by consensus, and the benefits and drawbacks of that behavior, has been discussed in much of the research on how higher education institutions function. One researcher describes the university decision making model as “‘garbage-can decision making.’ Problems, solutions, and participants form steady streams, flowing through the organization as if they were poured into a large can. When one participant tries to make a decision, others in the can may become attached to it because they are contemporaneous, even though they may not appear to be logically connected” (Birnbaum & Eckel, p. 350). Other authors hold up decision making by consensus as an integral part of the collegial atmosphere: promoting a “basic model [which] emphasizes connectedness, collegiality, and attention to a common good” (Bennett, 1998, p. 12). As will be discussed later in the paper, the perception of the private sector does not necessarily align with this model of decision making.

Much of the writing on goal setting reflects the necessity of making those goals feasible: “As everyone who writes about goals is required to remind you, a goal should be SMART. That is, it should be, Specific, Measurable, Achievable, Realistic, and Time-sensitive …. Achievable means the goals are challenging but attainable” (Acuff, 2004, p. 165). Goals which have these characteristics tend to be more effective than vague generalities about what one hopes to achieve.

The first two themes explored were generally success in student housing, more specifically how that success is defined and what factors contribute to it. One of the important
factors identified as contributing to the success of privatized housing is the strength of the relationship between the partners. The third and fourth themes explore the partnerships themselves.

**Factors Promoting Partnerships between the Public and Private Sectors**

As with the other themes, there is significant overlap in the factors thought to promote the partnerships between the institution and the private sector.

**Overlapping Factors Promoting Partnerships**

There was a general sense expressed by both the institutions and the private sector during the interviews that making an effort to build relationships is important. This was expressed variously as there being trust or comfort between the parties, and repeated discussion of the implications of the length of the partnership.

Related to this was the idea that the partners have to understand each other. It is considered especially important by both groups that there is a clear expression of how the housing and partnership meets the needs of the institution’s mission, goals, and expectations. The private sector website demonstrated a willingness to understand and work towards institutional goals: they are able to “clearly understand [the institution’s] vision, and adopt it as [their] own.” While the interview and website data demonstrate that it is important that each group understand the other group, the literature emphasizes that goals should be shared. The partners must be working toward a commonly held idea: “strong goals bring out the potential in the collaboration, ensure that there is clear direction and purpose, and include specific measures so the partnership can assess how well it is accomplishing its objectives. With those three elements – value, clarity, and measure – partnerships can go a long way” (Rackham, Friedman, & Ruff, 1996, p. 174). However, in addition to shared goals about the housing, the partners may also have their own
goals. These do not need to fall by the wayside in a partnership: “But is finding a strong goal the end of the story in establishing the value of a collaboration? Probably not. Growing the common ground … is equally important” (Rackham, et al., 1996, p. 174). The literature suggests that it is important to fully understand all of a partner’s goals, not only those that are shared goals: “Goals that are not shared but that a partner could potentially support, since they are not in conflict, are what we call supportable goals” (Rackham, et al., 1996, p. 175). This greater awareness of the partner leverages the value of the partnerships and suggests that despite different orientations, partnerships between the public and private sector could still be quite successful.

The interviews, website, and the literature (Goldstein, 2005) suggest that finding a level of communication that is clear and effective for the institution and the company involved is important to developing a strong partnership.

Private Sector: Factors Promoting Partnerships

The primary suggestion made by the private sector to improve the strength of the partnerships is that, sometimes, the decision to privatize simply needs to be made at a high level within the institutional hierarchy. That is, the interviews with the private sector suggest that sometimes the university President or Chief Financial Officer simply needs to make a unilateral decision for the institution. This suggestion is not reflected on the company websites. This omission is not surprising given the target client’s stated preference for decision by consensus.

The literature does not make a firm statement about whether group decision making or top-down leadership is preferable; the literature makes a variety of different recommendations about leadership style, often stressing that the style needs to be appropriate to the organizational culture. Davis (2003, pp.7-8) offers a number “important lessons” about leadership: “Leadership at the top is necessary and essential” but “Leadership can come from unexpected places.” This
further emphasizes that no single model is right. A project will certainly require the support of the President, but it probably also requires the support of countless stakeholders throughout the organization.

*Higher Education: Factors Promoting Partnerships*

Just as the private sector evaluates potential housing projects before embarking on them, the higher education administrators identified a number of characteristics they look for when selecting a private sector partner with whom to work. A number of these characteristics suggested factors which promote the formation of partnerships from the point of view of higher education institutions. These include: experience in developing and/or managing student housing, an understanding of the importance of student life, residence life, and approaching housing from an educational perspective, a “willingness to think outside the box” (or “vision” with the school, as one administrator described it) and a willingness to negotiate the terms of the partnership. Although these characteristics are not evident from the school websites (not surprisingly, as those websites are directed at students rather than potential business partners), they are evident in the literature review. The literature suggests that trust and control combine to create confidence in the partnership (Das & Teng, 1998). One of the mechanisms for building trust is “interfirm adaption,” which might be accomplished through this willingness to negotiate.

*Factors Impeding Partnerships between the Public and Private Sectors*

Just as the data and the literature review revealed a number of factors that promote partnership formation; it also suggested factors that might have a negative impact on partnerships.
Overlapping Factors Impeding Partnerships

A number of different factors seem to impede partnerships in this setting. They include: concern over loss of control; a sense of job insecurity or turf wars; the fear that the private sector is disconnected from mission; and skepticism about the motives of the private sector.

Both sectors acknowledge that the question of control is an issue. The private sector expressed that a primary reason that higher education administrators hesitate to endorse privatization is concern over the potential resulting loss of control, over students, over buildings, over operations. As the interviewee from Company 4 explained, “I think there are some universities that are concerned about the control that they are giving up over their student body. Where now the student body has the freedom to do whatever they want to do, whenever they want to do it, and that gives administrators concern.” The interviewee from Institution 8 concurred that loss of control could be problematic for a university: “If it was a perfect world and I could have everything I want, then more than likely I would want … to maintain control within my … system. There are a couple reasons for that. One is because it is easier … if everything reports to you, if there is a problem, you have much more control.”

While it is clear that entering into almost any partnership necessitates giving up some control, the literature seems to demonstrate a fear of losing control among administrators rather than providing examples of the negative impact of this loss of control. Certainly there are anecdotes, such as one school that went through a multi-week effort trying to prevent the walls in a contract foodservice establishment from being repainted in colors other than the school colors (Gose, 2005a), but issues like these seem preventable using the techniques such as trust building, communication and control provided through well-crafted contracts that the literature and the interviews suggest.
Partnerships in Student Housing

This sense of a loss of control may be tied in to the feeling (expressed during interviews with both groups) that higher education administrators may feel their jobs are threatened by privatization and may view it as a “turf war.” As the interviewee from Company 5 said, “There is also, in most universities that I have dealt with, somewhat of a turf war, and staff members of various levels will fight the kind of process that bring in the private sector because essentially it is treading on their turf. [Their perception is that] they can do it was well as anyone and why do we need to have some outside party?” The interviewee from Company 3 suggested that this attitude was the result of the “entrenched nature of the academic world … and all the things that go along with that, that protect people and their jobs and their positions. Quite honestly, they are threatened by the concept that … it makes more sense for the university to use an outside force to replace what they do.” The interviewee at Institution 5 agreed that this attitude can exist, particularly at the beginning of the process: “I think the residence life folks are somewhat threatened by this, not entirely because we are a healthy institution … but I think that they were a little, somebody else was trying to get into their business and they were a little threatened by that. I think that has passed but there were some initial bouts of that.”

This concern over job safety and potential lost wages is expressed in the literature, although descriptions of the sentiment as a “turf war” were not apparent. In the literature, the concern over job safety does seem to be more focused on lower level employees (Gose, 2005a).

Both partners agree that the complexity inherent in these arrangements may be a barrier to success. The interviewee from Company 6 expressed that this complexity is certainly a concern “unless it is done correctly. If it is a relationship that is murky, it is confusing to everyone …. They are complicated transactions by their nature and [university administrators outside the financial office] don’t really understand the nature of the relationship. It is not
because they are stupid, it is because the deal is complicated and they are not close to it.” He also suggested that this complexity can create confusion for students and parents as well as administrators, which is especially problematic if something goes wrong.

Some of the administrators expressed concern that the private sector was disconnected from the mission of the institutions. Some of the private sector interviewees suggested that a concern for institutional reputation limits the success of partnerships. They said that this concern is borne out of the longevity of universities as compared to the private sector organizations, and the institutions dependence on the quality of its reputation. This sense of the importance of the history and reputation of the institution suggests that the private sector is capable of appreciating and working toward the institution’s mission, even if it is not the mission of the business itself.

Another impediment to these partnerships that the two sectors expressed differently but that seem connected are the university’s concern, expressed during the interviews with the administrators, that the private sector will not deliver the type or quality of product desired, and that they will cut corners in order to meet financial goals. The private sector interviews indicated that there is a sense that the institution is somewhat distrustful of the motives of the private sector, as they are profit-driven. The private sector interviewees believed that this skepticism drove the aforementioned concerns about quality that the university expressed. This is another area where the literature speaks to strengthening partnerships through appropriate degrees of trust and control (Das & Teng, 1998). Controls in the partnership agreement could specify the details of the product to be delivered, which hopefully would increase the amount of trust that the institution had in their partner.
Private Sector: Factors Impeding Partnerships

The private sector also suggested a number of factors that could be hampering partnerships, none of which were evident in the websites. (This is not terribly surprising – why would a company advertise drawbacks to using its services?) These include: the existing institutional hierarchy and the lack of clarity or transparency in these dealings. Two of the public sector interviewees suggested that the management structure at a university could impede the formation of partnerships. This seems to grow from a combined need for these types of decisions to be made by leadership at the top and the sense that auxiliary and facilities employees seem to “lack stature” that other administrators may have. The lack of clarity probably stems from the complexity that both sectors felt was an impediment. Some private sector interviewees suggested that they had observed situations where the university administrators did not truly understand the deal they were entering into. The literature suggests that the amount of information that is appropriate to share in a university community is very driven by its culture (Goldstein, 2005), which emphasizes the importance of the private sector understanding the institutional culture they are working in.

Higher Education: Factors Impeding Partnerships

The higher education administrators also expressed concern about a number of factors which would hinder the partnership process, none of which were evident in the websites. These primarily include: a disparity over who should be in control; the differing philosophies and operational goals of higher education and the private sector. There were also brief mentions of a potentially negative impact on town/gown relations if a national rather than local firm is hired and concern over an institution’s legal liability.
Although both groups mentioned that a concern about loss of control is potentially damaging to these privatization partnerships, the higher education administrator from Institution 5 suggested that it was in fact a disparity of opinion over who should be in control. In response to being asked if there was anything else important to know about the relationship between the private sector and the university, he said, “Well, obviously the people involved are the most important part, and also coming to some understanding as to … the purpose and philosophy of the project … without being too assertive, ultimately saying who has control,. And sometimes, if you are working with companies with strong egos, that can be difficult.” He touched on this topic further by saying, “And so I have had to have this conversation with people at different levels within the corporation that we contracted with, to basically say, this is our philosophy. I understand it is different than yours, but you work for us. We hired you to provide this service, to do these things, and basically we’re in charge. The contract is, you work for us.” This suggests that control is in fact an issue, but that at least some administrators believe they can and should maintain control throughout the process, as the client.

The analysis of the data and the literature suggest that there are a number of practical applications for this information.

**Practical Applications**

How can this information be put to work for higher education administrators and those who work in the private sector to create or improve student housing? The information is relevant to all higher education administrators; not simply those in facilities or budgeting and planning; as the literature and the data suggest, the housing experience is vastly important to the overall student experience, and the functional details of privatization can have an impact throughout the campus.
When entering into a privatization agreement, both the institution and the private sector entity would do well to remember several important factors leading to success in partnerships created to develop or improve student housing. Trust between the partners should be developed through clear communication, risk taking, and demonstrating adaptability. An appropriate level of control should be achieved through a thoughtful developed contract, goal setting, and balancing and combining each partner’s culture.

Both partners should set clear, measurable, feasible goals. Each partner should be aware of the other’s goals, so that shared goals can be emphasized, and supportable goals can be revealed and achieved. These goals must be set in accordance with the institution’s mission, with clear connections between the goals and the specifics of the mission statement. Once these goals are set, progress towards meeting them should be assessed regularly.

Decision making and leadership models that are appropriate to the culture – be they top-down or group oriented – should be implemented in setting goals and designing steps to achieve them.

A market analysis should be performed. This should include identification of the target audience and that group’s specific needs and wants.

Finally, to the degree that it is possible, buy-in should be achieved throughout the institution.
Conclusions

Implications for the Field

This research has a number of important implications for the field of student housing. The data validates the ideas expressed in the literature that outsourcing, particularly applied to student housing, has a number of benefits to offer the higher education community but that creating those partnerships in a functional manner is a complex procedure fraught with both technical issues and issues of personality. The goal of this research was to accumulate knowledge acquired by professionals in the field in order to highlight some of the lessons learned in the last decade, when privatized student housing truly became prevalent.

Lessons learned

As suggested by the research question, an analysis of the data and the literature allowed the researcher to suggest a definition of success in partnerships to create or improve student housing and identify elements that lead to that success. Perhaps the most important element is the partnership itself, and the research also suggests a number of factors which can help make those partnerships successful.

Defining success. Success is primarily understood as meeting previously established financial benchmarks, but equally important is a well designed, high quality facility that is delivered on time and is in keeping with the institutional mission. The facility should meet the needs and provide value to both the institution and the student residents. This definition is specific enough to be truly effective. Institutions and private sectors partners need to work together to identify detailed, specific and quantifiable measures for the factors, such as design and quality, listed above.
Factors leading to success. Although there were a number of factors identified as increasing the likelihood that a project will be successful, the primary determinant seems to be the success of relationship between the public and private sector partners. Following this, important elements include typical requirements of successful real estate endeavors: supply and demand, location, and skilled managers. Particularly important factors in the higher education environment are: understanding institutional mission and setting goals that are in line with those values; implementing an appropriate leadership model; achieving community buy-in; and understanding enrollment patterns.

Successful partnerships. Because a successful partnership is such a crucial piece of a successful privatized student housing project it is considered separately. Successful partnerships will exhibit: mutual understanding of goals; clear communication; trust; and an appropriate level of control set principally by the contract agreement.

Limitations of the study

The primary limitation of this research is the potential reluctance of participants to divulge proprietary or sensitive information. Although measures to protect confidentiality were put in place, institutions or companies may have resisted sharing information they felt gave them a competitive advantage in the marketplace.

The scope of the research was necessarily limited by the time and the number of participants. Had there been more participants, and a greater diversity of participants, it might have been possible to drill down into the data and examine perspectives as they correlate to position in a company or institution, as well as how perspectives differ between institutional type.
In the future, these limitations might be overcome by using a larger and more diverse sample of institutional administrators and private sector representatives. Towards the end of the project, a number of potential participants did offer to participate. Timing prevented this, but it suggests that they would be available should the study be extended.

Another limitation was the variety of answers received in the free-response format in the data collection. As a result, it may appear that certain respondents disagree with some of the ideas, whereas it seems more likely that they simply did not list a particular answer.

Developing a survey might overcome this limitation and improve the research methodology by increasing the data collection methods.

**Future Research**

There are a number of topics related to outsourced student housing which should be explored. This research was limited to two stakeholder groups – administrators and the private sector. Other important groups to include in future research include students, parents, and other administrators. Do students prefer living in privatized residence halls? What exactly are they looking for from the residential experience? How are parents connecting to outsourced housing? Is the distinction between the university and the private sector clear? Finally, how does outsourcing housing impact other programs and facilities serving the campus?

In addition to including other stakeholder groups in the research, a closer look at the financial structures and partnership models used in outsourcing arrangements is timely and necessary. According to a number of the interviewees, there have been significant shifts in the financing and partnership structures in recent years. As a primary motivation of outsourcing is financial, these new financial models should be studied to understand their impact on
institutional finances and on the projects themselves. As the data suggests that the partnership is crucial to the success of endeavors, these new models should be explored as well.

The data suggests that a well designed facility is important. The literature (and common sense) suggests that the design itself can impact the experience of living and working in a facility: “design professionals … would gain by adopting a functionalism based on user behavior as a guiding principle. This does not mean that the customer is always right or vox populi, vox dei but only that some effort should be made to see how satisfactory a building is from the standpoint of the different publics involved” (Sommer, 1969, p. viii). To that end, research should be conducted into the way that students and staff live in and with the realities of the structure. What benefits and drawbacks do different design elements have?

Final Thoughts

The interviewee from Company 6 wrapped up his interview by saying:

“I think that we’ve kind of gone through the first round now over the last decade. There are some [projects] that have done well and some that have failed; so it is not all like shooting from the hip anymore. I think, I hope … that the deals are getting a lot more thoughtful because people have seen now that there are some that have failed and some that have thrived … So I think people kind of have their eyes open now more than they did; I think … this next little go-around of deals that will happen, will be, I think, a better relationship between the two parties.”

This statement suggests change and growth in the period ahead for privatized housing. Hopefully this research has provided some guidelines which will help the development and delivery of privatized housing improve and move forward into the next stage of effectiveness.
References


Appendix A

Office for the Protection of Research Subjects
Northwestern University
750 North Lake Shore Drive
Suite 700
Chicago, Illinois 60611

irb@northwestern.edu
Phone 312-503-9338
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5/19/2008

Lois Trautvetter
School of Education and Social Policy

IRB Protocol Number: STU00003714  Meeting/Review Date: 5/16/2008
Review Type: Expedited

Protocol Title: Partnerships in Campus Housing

Submission(s) Considered: New Project

The Institutional Review Board considered and approved your submission referenced above through 5/15/2009.

IRB approval includes approval of the documents listed in this letter.

Protocol Document:

Research Protocol for IRB.doc

Approved Consent Forms:

consent form_partnerships in student housing.doc

Subject Recruitment - Copy of Materials:

sample recruitment email for interviewee.doc
IRB approval is granted with the understanding that the investigator will:

- Change neither the procedures nor the consent form without prior IRB review and approval of those changes. (Changes in the approved research may not be initiated without IRB review and approval except when necessary to eliminate apparent immediate hazards to the subject.) Proposed changes must be submitted to the IRB as a Revision.
- Promptly report any unanticipated problems involving risks to subjects or others to the IRB. (See http://www.northwestern.edu/research/OPRS/irb for additional guidance on reporting of UPIRSOS)
- Submit a continuing review application 4 - 6 weeks prior to the expiration of IRB approval. If IRB re-approval is not obtained by the end of the approval period indicated above, all research related activities must stop and no new subjects may be enrolled. (See http://www.hhs.gov/ohrp/humansubjects/guidance/contrev2002.htm for guidance on continuing subjects when it may be in their best interest to continue research participation during a lapse in IRB approval).

For more information regarding OPRS submissions and guidelines, please consult http://www.northwestern.edu/research/OPRS/irb.
This Institution has an approved Federalwide Assurance with the Department of Health and Human Services: FWA00001549.
Northwestern University
School of Education and Social Policy

CONSENT FORM

Project Title: Partnerships in Campus Housing
Principal Investigator: Dr. Lois Trautvetter
Co-Investigator(s): Sarah Samuels

Introduction/Purpose:
You are being asked to participate in a study I am completing for a graduate class at Northwestern University. I am conducting this study because I am interested in developing a better understanding of privatization in a higher education setting, specifically for student housing. You are being asked to participate because of your role in student housing development or improvement. The purpose of my study is to explore the factors that impact the success of outsourcing in the development or improvement of campus housing and in doing so to build a bridge that aligns the interests of the development community and the higher education community. Approximately 10-20 student housing development experts and higher education administrators will be interviewed for this research.

Procedures:
The research will include interviews of student housing developers and higher education administrators. As a participant in this study you will be asked to respond to interview questions about your experience with student housing. I would like your permission to audiotape and to transcribe the discussion so that I may study the discussion as part of my research class. The discussion will last approximately one hour and will be conducted in a place chosen by the interviewee or by phone.

At any time in the study, you may decide to withdraw from the study. If you withdraw no more information will be collected from you. When you indicate you wish to withdraw the investigator will ask if the materials already collected in the study can be used.
**Risks:**

Your participation in this study does not involve any physical risk or emotional risk to you. If you feel, however, that you become uncomfortable or experience any problems due to participation in this project, you may withdraw at any time and I will understand.

**Benefits:**

There may be no direct benefit to you personally by your participation in this project. However, this project has the potential to benefit both higher education institutions and developers who work with those institutions by increasing the knowledge base about outsourcing and identifying best practices for implementing partnerships between businesses and higher education institutions.

**Alternatives:**

You have the alternative to choose not to participate in this research study. You are free to withdraw your participation at any time.

**Confidentiality:**

Participation in this research study may result in a loss of privacy, since persons other than the investigator(s) might view your study records. Unless required by law, only the study investigator, members of the investigator’s staff, the Northwestern University Institutional Review Board, and representatives from the Office for Human Research Protections (DHHS) will have authority to review your study records. They are required to maintain confidentiality regarding your identity.

Results of this study may be used for research, publications, or presentations. If your individual results are discussed, your identity will be protected by using a study code number rather than your name or other identifying information.

At the end of this consent form, you will be given the option of allowing us to make audio recordings of you, which will be used in analyzing the research data.

All recorded records will be destroyed at the end of the study.

**Financial Information:**

Your participation in this study will involve no cost to you. You will not be paid for your participation in this study.
**Subjects’ Rights:**

Your participation in this study is voluntary and you are free to withdraw at any time. You are free to choose not to answer particular questions if you do not want to. You may ask that the tape recorder (video recorder) be turned off at any point during the interview, observation if there is something that you do not want to have recorded.

**Contact Persons:**

If you have any questions about this study you may contact:

Principal Investigator: Dr. Lois Trautvetter  
Phone: (847) 491-3901  
l-trautvetter@northwestern.edu

Co-Investigator: Sarah Samuels  
Phone: (312) 310-7160  
sarah.samuels@gmail.com  
(including evenings and weekends)

If you have any questions about your rights as a research subject you may call the Office for the Protection of Research Subjects of Northwestern University at telephone number (312) 503-9338.

**Consent:**

I agree to have the interview digitally recorded. I understand that I can request to have the recording turned off at any time and that the digital recording will be destroyed following the submission of the Master’s Project.

I have read this form and the research study has been explained to me. I have been given the opportunity to ask questions and have been answered to my satisfaction. If I have additional questions, I have been told who to contact. I agree to participate in the research study described above and will receive a copy of this consent form. I will receive a copy of this consent form after I sign it.

________________________________________  _________________________  
Participant      Date

________________________________________  _________________________  
Investigator      Date

May 1, 2008      Page 3 of 3      Subject Initials ______
Appendix C

Interview Protocol: Student Housing Developers

Background
This research is being conducted in order to better understand the practice of outsourcing for student housing in higher education. As a growing practice with much potential to impact the entire campus community as well as the higher education industry it is important to fully understand this practice. This research is intended to be used as a bridge to align the interests of the development community and the higher education community. The goal of this research project is to explore the factors that impact the relationship between the educational institution and the developer.

Confirmation of participation
You have signed a consent form with further information about the research and your participation. Do you have any questions?

Goals of structured interviews
These questions are designed to explore the opinions of practitioners in the field of student housing development.

Structured interview questions
1. What company do you work for?
2. Is the company privately owned or publicly traded?
3. What is your title?
4. Do you make investment decisions for your company?
5. Does your company finance student housing?
6. Does your company manage the development of student housing?
   a. If so, is it on a fee basis (but university owned) or for ownership by your company?
   b. If both structures are used, do you or the company have a preference? If so, why?
   c. How many student housing beds has your company provided?
7. Does your company manage student housing?
   a. If so, what services does the company provide for that housing? (For example: maintenance, janitorial, security, food, student life)
   b. Does the company provide any other services to the educational institutions?
   c. How many student housing beds do you manage?
8. What percentage of beds that you currently manage fall into the following categories:
   a. The institution pre-leases and markets all or most of the rooms
   b. The developer executes leases with individual students who are designated by university housing
   c. The company signs leases with individual students through a joint marketing program with the university
   d. The university is not involved with the marketing or leasing of the student beds
9. Indicate generally what percentage of your projects fall into the following categories:
   a. Built on university land
   b. Constructed on land owned by the university and leased to your company
   c. Land acquired by your company for the purpose of development
   d. Do you have a preference and why?

10. What factors do you consider when evaluating a student housing project?
    a. Of those factors, which do you consider the most important, and why?
    b. Do you consider _________ at all?
       ▪ If not mentioned:
         ▪ availability of land
         ▪ market demand
         ▪ market rent ability to support development costs
         ▪ relationship with the educational institution
         ▪ existence of other privatized housing
         ▪ personal feelings or a preexisting relationship with the university

11. What factors impact the likelihood of a project’s success?

12. Does your company measure the success of individual projects?
    a. What factors are used to measure this success?
    b. Of these factors, which are the most important?

13. Do you survey residents to determine how they measure the success of the project?
    a. What methods do you use?
    b. What are the primary factors reported?

14. Some research suggests that reticence towards privatization in general is a barrier to entry on college and university campuses. Has this been your experience?
    a. What do you believe contributes to this reticence or lack thereof within different institutions?
    b. When interacting with the institution, do you find different levels of reticence at different levels of management hierarchy?
    c. What do you do as a developer or manager of student housing to overcome such reticence?
    d. If you encounter resistance once a project is underway, what techniques can you employ to respond?

15. Is there anything else that I should know about when exploring the relationship between the developer and the university?

16. Can you recommend any student housing developers or university administrators I might talk to?

Thank you
Appendix D

Interview Protocol: Higher Education Administrators

Background
This research is being conducted in order to better understand the practice of outsourcing for student housing in higher education. As a growing practice with much potential to impact the entire campus community as well as the higher education industry it is important to fully understand this practice. This research is intended to be used as a bridge to align the interests of the development community and the higher education community. The goal of this research project is to explore the factors that impact the relationship between the educational institution and the developer.

Confirmation of participation
You have signed a consent form with further information about the research and your participation. Do you have any questions?

Goals of structured interviews
These questions are designed to explore the opinions of practitioners in the field of student housing development.

Structured interview questions
Demographic Questions
1. What educational institution do you work for? What is your title?
2. Is the school private or public?
   a. Do you think your status as a public/private institution impacts your institution’s attitude towards privatization or the partnerships themselves?
3. Do you make construction decisions for your school?
4. Does your school have student housing developed by an external company?
   a. If so, is it on a fee basis (but university owned) or owned by the development company?
   b. If you have experience with both structures, do you have a preference? If so, why?
   c. How many student housing beds does your school have?
2. Does the school have externally managed student housing?
   a. If so, what services does the outside company provide for that housing? (For example: maintenance, janitorial, security, food, student life)
   b. Does the company provide any other services to the educational institutions? What has your experience with these services been?
   c. How many student housing beds does the company manage for your institution?
3. Approximately what percentage of beds at your institution fall into the following categories:
   a. The institution pre-leases and markets all or most of the rooms
   b. The developer executes leases with individual students who are designated by university housing
c. The company signs leases with individual students through a joint marketing program with the university  

d. The university is not involved with the marketing or leasing of the student beds  

e. What is your assessment of these varying types of arrangements?  

4. Indicate generally what percentage of your student beds fall into the following categories:  

a. Built on university land  
b. Constructed on land owned by the university and leased to a developer  
c. Land owned by a developer  

d. Do you have a preference and why?  

5. What factors do you consider when selecting a developer to work with when considering building privatized housing?  

a. Of those factors, which do you consider the most important, and why?  

b. Do you consider ________ at all?  

If not mentioned:  

- Size of the development company  
- Past performance of the developer  
- References provided by the developer  
- Proposal provided by the developer  
- Financial return to university  
- Financial cost to university  
- Personal relationship with the developer  
- Reputation of the developer  

2. What factors impact the likelihood of a project's success?  

3. Does your school measure the success of individual housing projects?  

a. What factors are used to measure this success?  
b. Of these factors, which are the most important?  

4. Do you survey residents to determine how they measure the success of the project?  

a. What methods do you use?  
b. What are the primary factors reported?  

5. Some research suggests reluctance on the part of higher education institutions to enter partnerships with a for-profit or outside organization. What has your experience been like?  

a. If you have experienced or observed such reluctance, what factors do you think contribute to this position?  
b. Are there action steps which could improve acceptance of such a partnership on the part of various management levels within the institution or the private sector partner?  

6. Is there anything else that I should know about when exploring the relationship between the developer and the university?  

7. Can you recommend any university administrators or student housing developers I might talk to?  

Thank you
research assistance request

Sarah Samuels <sarah.samuels@gmail.com>  
To: 

Mr.____________: 

__________ suggested that I get in touch with you regarding the research project about privatized housing on college and university campuses that I am conducting. 

Thank you for taking the time to consider this email. I am a Master's candidate at the Northwestern University School of Education and Social Policy with a focus on Higher Education Administration and Policy. 

I am writing because I am working on my Master's Project and I hope that you may be able to be of some assistance to me. My Master's Project is examining privatized student housing and I am looking for experts (higher education administrators and student housing developers) in the field to interview. This research is intended to be used as a bridge to align the interests of the development community and the higher education community. The goal of this research project is to explore the factors that impact the relationship between the educational institution and the developer. 

Would you be willing to be interviewed? If so, when would be convenient for you? Do you know of anybody else in the field, either on the development or the institutional side, who would be willing to be contacted? I have attached my interview questions for your information. 

Please do not hesitate to let me know if you have any questions about this research. I really appreciate any insight or contacts you can offer. 

I look forward to hearing from you. Thank you, 

Sarah 

--
Sarah Samuels  
Master's of Science Candidate, Higher Education Administration and Policy  
Northwestern University, School of Education and Social Policy  
sarah.samuels@gmail.com  
312.310.7160
### Appendix F

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultant</td>
<td>“Experienced professional who provides expert knowledge (often packaged under a catchy name) for a fee. He or she works in an advisory capacity only and is usually not accountable for the outcome of a consulting exercise.” (BusinessDictionary.com, n. d.)</td>
</tr>
<tr>
<td>Developer</td>
<td>“Person or a firm that improves raw land with labor and capital, and arranges for utilities and essential services, in order to sell subdivided parcels of land or to build structures for rent and/or sale.” (BusinessDictionary.com, n. d.)</td>
</tr>
<tr>
<td>Institution</td>
<td>“Establishment, foundation, or organization created to pursue a particular type of endeavor” (BusinessDictionary.com, n. d.). In this case, post-secondary education.</td>
</tr>
<tr>
<td>Internal Rate of Return (IRR)</td>
<td>“The rate of return that would make the present value of future cash flows plus the final market value of an investment or business opportunity equal the current market price of the investment or opportunity. Also called dollar-weighted rate of return.” (InvestorWords.com, n. d.)</td>
</tr>
<tr>
<td>Investor</td>
<td>Neither a speculator (who takes on high risks for high rewards) nor a gambler (who takes on the risk of total loss for out of proportion rewards) but one whose primary objectives are preservation of the original investment (the principal), a steady income, and capital appreciation. (BusinessDictionary.com, n. d.)</td>
</tr>
<tr>
<td>LEED Certification</td>
<td>“LEED is a third party certification program and the nationally accepted benchmark for the design, construction and operation of high performance green buildings. LEED gives building owners and operators the tools they need to have an immediate and measurable impact on their buildings’ performance. LEED promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality” (U.S. Green Building Council, 2008)</td>
</tr>
<tr>
<td>Facility Manager</td>
<td>“The practice of coordinating the physical workplace with the people and work of the organization; integrates the principles of business administration, architecture, and the behavioral and engineering sciences.” It is often simplified to mean that facility managers integrate the people of an organization with its purpose (work) and place (facilities)” (Cotts, 1999, p. 3). Sometimes called the Property Manager, the individual responsible for day-to-day operation of the facility (interviewee from Company 1)</td>
</tr>
<tr>
<td>Master Lease</td>
<td>“Controlling lease under which a lessee can sub-lease the property for a period not extending the term of the master lease.” (BusinessDictionary.com, n. d.)</td>
</tr>
<tr>
<td>Net Operating Income (NOI)</td>
<td>“Income after deducting for operating expenses but before deducting for income taxes and interest.” (InvestorWords.com, n. d.)</td>
</tr>
<tr>
<td>Owner’s Representative</td>
<td>“Private entity engaged by an owner to manage a project for that owner” (interviewee from Company 1)</td>
</tr>
<tr>
<td>Private Certified Housing</td>
<td>“We have some facilities that are close to campus that we will certify as ‘equal’ to university housing …. They have to meet certain standards and requirements including programmatic …. They are basically approved by the university. Other than that certification we have no relationship with them.” (interviewee from Institution 4)</td>
</tr>
<tr>
<td>Private Sector Organization</td>
<td>For the purposes of this paper: a business organization that is neither governmental, institutional.</td>
</tr>
<tr>
<td>Pro forma</td>
<td>“Description of financial statements that have one or more assumptions or hypothetical conditions built into the data. Often used with balance sheets and income statements.” (InvestorWords.com, n. d.)</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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<tr>
<td>Request for Information (RFI)</td>
<td>“Request made typically during the project planning phase where a buyer cannot clearly identify product requirements, specifications, and purchase options. RFIs clearly indicate that award of a contract will not automatically follow.” (BusinessDictionary.com, n. d.)</td>
</tr>
<tr>
<td>Request for Proposal (RFP)</td>
<td>Document used in sealed-bid procurement procedures through which a purchaser advises the potential suppliers of (1) statement and scope of work, (2) specifications, (3) schedules or timelines, (4) contract type, (5) data requirements, (6) terms and conditions, (7) description of goods and/or services to be procured, (8) general criteria used in evaluation procedure, (9) special contractual requirements, (10) technical goals, (11) instructions for preparation of technical, management, and/or cost proposals. RFPs are publicly advertised and suppliers respond with a detailed proposal, not with only a price quotation. They provide for negotiations after sealed proposals are opened, and the award of contract may not necessarily go to the lowest bidder. See also invitation to bid (ITB), request for tenders, and request for quotations. (BusinessDictionary.com, n. d.)</td>
</tr>
<tr>
<td>Request for Qualifications (RFQ)</td>
<td>Document used in soliciting price and delivery quotations that meet minimum quality specifications for a specific quantity of specific goods and/or services. RFQ are usually not advertised publicly, and are used commonly for (1) standard, off-the-shelf items, (2) items built to known specifications, (3) items required in small quantities, or (4) items whose purchase price falls below sealed-bidding threshold. Suppliers respond to a RFQ with firm quotations, and generally the lowest-priced quotation is awarded the contract. (BusinessDictionary.com, n. d.)</td>
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