UNIVERSITY AUXILIARY SERVICES: A REVIEW OF FACTORS IMPACTING PRIVATIZATION DECISIONS

Rita S. Gordon, Ph.D.

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The dynamics of higher education funding present unique challenges and opportunities for administrators. One method university administrators employ to contain expenses and provide additional revenue is privatization of academic and non-academic services.

The purpose of this quantitative study was to investigate the specific factors considered in a decision to privatize bookstore and/or dining service operations, and perceptions about whether the post-privatization decision met pre-privatization expectations. Gordon's (2019) Privatization Decision Framework was created based upon existing research and then used to develop survey questions. Twelve pre-privatization decision factors, nine post-privatization contracted relationship expectation factors, overall satisfaction with the privatization decision, and a privatization decision reflection were utilized to answer the research questions.

An online survey instrument collected data from 140 auxiliary services professionals at public, four-year universities across the United States, representing 45.0% of such institutions who are members of the National Association of College and Auxiliary Services; responses were proportional to the regional membership of this organization. Full-time equivalents (FTEs) ranged from 500 to 110,000 students with a mean of 19,642 students.

Overall, over half of the university respondents 79 (56.4%) are contracting their bookstore operations, and satisfaction with the bookstore contractor's performance generally met expectations with a mean of 3.87 (out of a five point scale with five being greatly exceeded expectations). The top areas of satisfaction included: transfer of inventory costs carried by the contractor, management specialization/expertise, and transfer of risk externally. Most respondents (85.5%) also indicated satisfaction by noting a strong preference to contract with the same bookstore contractor if the decision could be made again.

One half of university respondents indicated that their dining services operations are under contracted management. Overall satisfaction with the dining services contractor's performance generally met expectations with a mean of 3.54 (on a five point scale). The highest areas of satisfaction were: management specialization/expertise, transfer of risk externally, and external capital. Most respondents (73.0%) indicated overall satisfaction with a strong preference to contract with the same dining services contractor if the decision could be made again.

In addition to overall satisfaction, respondents were asked to indicate the level to which their contractor met their pre-privatization goals related to nine expectation factors, and all factors for both bookstore and dining services contracts were rated as at least generally meeting expectations. Six of the nine post-privatization expectation factors had a significant difference between the bookstore and dining services operations in the factors of: external capital for renovation or facilities construction, inventory costs carried by the contractor, customer service/quality improvements, external legal pressure, human resources/staffing issues, and management specialization/expertise; for all such factors, the bookstore contractor yielded higher levels of satisfaction.

Respondents were asked to indicate the extent 12 factors influenced their decision to privatize bookstore and dining operations. Two decision factors within both the bookstore and dining services operations were found to have a statistically significant relationship which impacted the university's decision to privatize: external capital for renovation or facilities construction, and human resources/staffing issues.

This study provides new information to university leaders who are contemplating a privatization decision through the examination of pre-privatization factors, post-privatization satisfaction, and the decision respondents would make regarding their current contracted services, given the current knowledge of the contractor's performance.

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by

Rita S. Gordon

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Doctoral Committee:

Louann Bierlein Palmer, Ed.D., Chair
Daniel Gaymer, Ph.D.
Deborah Thalner, Ph.D.

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CHAPTER I

INTRODUCTION

Public higher education institutions in the United States are faced with unprecedented competitive challenges within a significantly turbulent financial environment. At the same time, pressure to be the best institution at the lowest cost forces administrators to prioritize funding towards programs and services that are perceived as the most valuable to students and their parents. U.S. News ranks institutions as "Best Colleges" based on common academic success measures, including freshman retention, graduation rates, and post-graduation employment (Kim, 2018; Morse & Flanigan, 2011). In many states, legislative funding is based on quantifiable performance measures including degree completion, research and scholarship, retention, and post-graduate employment (Baum, 2017; Dougherty, Natow, Hare, & Vega, 2010). The meteoric rise of college tuition has resulted in families conducting their own analysis of the value of a college degree in relation to the cost of attendance, loan repayment, and job prospects, which has resulted in students selecting majors that have a favorable cost/benefit ratio (Simon, 2011). Parents seek high-quality, affordable, safe, and attractive institutions (Litten & Hall, 1989; Supiano, 2010). Students seek institutions that provide amenities rivaling those found in high-end resorts, including lazy rivers as well as supportive services that include trigger warnings and a greater emphasis on student success initiatives (Anonymous, 2018; Carlson, 2014; June, 2017; Stripling, 2017). Students are tech savvy and evaluate universities based upon website content. Additionally, they use internet-based evaluation tools to help them select the institution where they not only receive the best financial and reputational value, but also a variety of social activities (Kim, 2018; Poock & Lefond, 2001; Supiano, 2015).

Dwindling state appropriations juxtaposed with the need to fund costly instructional technology delivery systems, capital improvements, research, and other mission critical initiatives in a tuition price sensitive climate, have become what administrators term "the new normal" (Bruininks, Keeney, & Thorp, 2010, p. 113). As a result, the contemporary environment in which universities operate is extremely tempestuous (June, 2017). Faculty, as well as administrators, have been feeling the pressure to deliver education and services in the most efficient manner. Wellman (2006) stated, "Improving public attention to higher education as a political priority will also be essential to move from continued drift toward privatization to a better focus on national priorities for higher education and the role of government in accomplishing them" (p. 115).

Such financial challenges are not new, but rather a prolonged trend as state governments continue to reduce funding by pushing a greater proportion of tuition expenses on students and their families (Baum, 2017). Chabotar (1989) warned that "Virtually all nonprofit organizations, including colleges and universities, have been adversely affected by declines in governmental assistance, unfavorable economic circumstances, and greater competition for private gifts and grants" (p. 188). Gumport and Pusser (1999) observed, "Given accelerating demands for institutional restructuring and increased legislative intervention in higher education policy and planning, the issue of university autonomy moves to the fore" (p. 153). Rupp and Terrana (2010) recognized that universities must seek to increase revenues by attracting more students, but also need to provide additional services to these students despite the lack of resources to do so. Chabotar (2012) continued to raise concerns about the financial difficulties in higher education, stating, "Increased student expectations, rising labor costs, a growing variety of instructional delivery systems, more stringent government regulations: If your college or university hasn't already encountered these forces shaping higher education, it will soon. And the way your institution responds will determine its financial condition not only now but also in the future” (Introduction, para. 1).

Lambert (2015) found a growing divide between university and state legislators resulting in funding consequences:

> The divide between the perceptions of state legislators and those of university leaders is notable, primarily in the outlook for funding from the state. Many legislators pointed to the long history of public support for the flagship university over two centuries as evidence of a commitment to supporting public higher education. Yet legislators described a feeling that university leaders were “ungrateful.” and had an attitude of “what have you done for us lately?” regarding funding. (p. 12)

Inside Higher Ed and Gallup surveyed college and university chief business officers and found that 19% believed their institution may need to shut down in the coming decade due to financial exigency. Of these respondents, 64% were confident about their institution’s viability over the next five years, but their level of confidence for maintaining operations dropped to 42% during the next 10 years (Inside Higher Ed, 2015). As a result of such dynamic market forces, universities and colleges must redefine themselves within the context of their mission.

Statement of the Problem

In an era of having to do more with less, the privatization of non-educational services has become a popular choice for institutions seeking professional management, inventory to cash conversion, and personnel expense reduction (Angelo, 2005; Carlson, 2016; Kirp, 2004; Moneta & Dillion, 2001; Pittman, 2003; Wertz, 2000). Aggressive marketing from specialized providers of university services has led administrators to seriously consider privatization in order to alleviate financial challenges within their institution (Carlson, 2014; Gilmer, 1997; Mercer, 1995; Violino, 2010). Universities enter into privatization decisions with the goal of reducing costs, increasing revenues, and developing alternative funding sources for specific programs or projects (Angelo, 2005; Conradson, 2014; Rush, Kempner, & Goldstein, 1995; Tanner & Gwinn, 2004; Wertz, 1995). The lack of in-house competency to manage or enhance services, labor administration challenges, and the high cost of equipment and inventory are additional reasons for the exploration of privatization decisions (Davies, 2005; Kiley, 2013).

A 2002 survey in *University Business*, a publication of the National Association of College Auxiliary Services (NACAS) indicated 65% of universities outsource two to five of the non-education services provided at their institution (Angelo, 2002). Sercuck (2006) found that "Today 91% of schools outsource at least one function, up from 82% in 2000; 13% outsource over five services. The most popular areas for outsourcing are food service (61%), bookstores (52%), and the endowment fund (41%)" (para. 3).

The primary targets for privatization are food service and bookstore operations, which account for a majority of the cost and revenue of auxiliary service departments within a university (Angelo, 2002; Bary, 2015; Geiger, 1987; Goldstein, Kempner, & Rush, 1993; Milshtein, 2014). Information regarding companies providing privatization services is readily available to administrators in a variety of institutionally-focused publications (Aramark, n.d.; Follett, n.d.; Gose, 2005; National Restaurant Association, 2017; Rupp & Terrana, 2010; Violino, 2010).

The privatization of university services has been reviewed in a significant number of publications (Angelo, 2005; Gose, 2005; Holzacker et al., 2009; Kezar, 1999; Kirp, 2004; Mercer, 1995; Milshtein, 2014). The work in these publications is focused on issues such as contract negotiation (Goldstein et al., 1993), anti-privatization defense strategies (National Education Association, 1989; Neubauer, 2014; Pittman, 2003), and university partners supporting vendors promoting their solutions (Ender & Mooney, 1994; Gilmer, 1997; Rupp & Terrana, 2010). Empirical research studies on this topic are limited and often focus on post-privatization management (Geiger, 1987; Goldstein et al., 1993; Herath & Ahsan, 2006; Wekullo, 2017; Wertz, 1995).

In the event that a university selects a privatization decision, contract management and evaluation of contractor performance remains the responsibility of the university. Brown and Wilson (2005) advised that “Making the relationship work is not easy. It requires commitment by both parties” (p. 545). Wertz (2000) recommended evaluation of the privatization decision must include a thorough review of proposed and actual financial results, methods of monitoring expected levels of service, and benchmarking to industry standards. The financial guarantees and performance of contractors may not meet the university’s expectation, necessitating a clear exit strategy that has minimal financial impact and service disruption (Mercer, 1995; National Education Association, 1989; Pittman, 2003; Van Der Werf, 2000, 2002).

The primary purpose of my study was to investigate the perceived results regarding a decision to outsource dining services and/or bookstore operations at selected four-year public universities as provided by survey respondents. The secondary objective was to identify the factors evaluated when a privatization decision was under review at such universities. A final objective was to ascertain to what extent satisfaction or dissatisfaction with a privatization decision exists at these public universities.

Research Questions

My research was focused on the privatization of dining service and bookstore operations at public, four-year institutions. Research questions were driven by my literature review, developed to frame the objectives within these two areas of interest, and included descriptive research questions to identify relationships exhibited by factors that drove privatization decisions. Additionally, impact research questions were employed to establish links between expectations of privatization decisions and actual satisfaction as measured by statistical tests.

1. To what extent have four-year public universities privatized bookstore and dining services operations?
2. To what extent do the following factors drive privatization decisions within a four-year public university: (a) budget/financial; (b) human resource-related; (c) customer service expectations; (d) external political influences; and (e) internal administration?
3. What perceived outcomes have occurred as a result of privatization and to what overall extent are such privatization efforts viewed as successful or unsuccessful?
4. To what extent do these factors and outcomes vary depending upon the type of services being privatized?
5. To what extent is there a relationship between the perceived factors that drove the decision to privatize and the perceived outcomes?
6. For those who had contracted bookstore and dining services, what was their overall experience with the institution's contracted relationship?

To date, administrators have limited resources to guide them through the various aspects of the evaluation process. Despite an extensive literature review, no research was discovered which examined the long-term satisfaction of a privatization decision within a public, higher education setting. Decision makers who find themselves unhappy with the privatization decision have no knowledge base to evaluate alternatives including contract renegotiation or severance. Hence, an unmet need to provide key decision makers with satisfaction data from peer institutions regarding their privatization decisions. Administrators considering a privatization decision, seeking a potential reversal of the privatization decision, or developing strategies to improve privatization decisions within their organization will benefit from this information.

Conceptual Framework

The decision to explore the privatization of some university operations was a significant undertaking. The National Association of College and University Auxiliary Services (NACAS), National Association of College and University Business Officers (NACUBO), and The Council of Higher Education Management Associations (CHEMA) are three organizations that have played a strong role in supporting emerging research in the privatization of university services. Goldstein et al.'s (1993) research, supported by CHEMA, suggested the decision to outsource or maintain self-operation is not the primary question administrators should investigate, rather they should "…evaluate the full array of options and select the operating approach best for the institution" (as cited in Phipps & Merisotis, 2005, p. 3). The team developed three tools to assist administrators with the evaluation process of a privatization decision: the Structural Decision Process, the Conceptual Decision Process, and the Conceptual Decision Factor Matrix.

Within these tools, Goldstein et al. (1993) identified six decision factors: (a) human resources; (b) financial; (c) service quality; (d) legal/ethical; (e) mission and culture; and (f) management control and efficiency. Similarly, Wertz (1997) categorized the seven privatization impacts on higher education as: (a) generating revenue; (b) cost savings; (c) quality of service improvement; (d) technological expertise; (e) internal funding transfer; (f) human resources/staffing problems; and (g) safety/liability. The works of Goldstein et al. (1993) and Wertz (1995, 1997, & 2000) provided the foundation for the development of a tool that identifies broad internal and external factors surrounding privatization decisions and outcomes.

Phipps and Merisotis (2005), as well as Goldstein et al. (1993), approached evaluation of the decision from an institutional lens with broad categories similar to a university organizational chart. Wertz's (1995) initial framework focused on solving institutional challenges through an examination of the benefits provided by a potential contractor. In 2000, Wertz concluded that universities might have had many reasons to seek a privatization decision, but the prevailing reason was financial.

Each framework proposed had merit; however, none provided an all-encompassing tool that allowed for the examination of various internal and external aspects, nor the mechanism to capture administrators' reflections of previous privatization decisions. To this end, my research built upon these existing frameworks. I created the Reflection on Privatization Decision Framework which identified five key internally and externally focused impact areas (see Figure 1).

The first key area focuses on *human resources* and encompassed a variety of factors, including management talent to operate unique retail operations, training and development, staffing, recruitment, performance management, and, if applicable, union contract compliance (Goldstein et al., 1993; Phipps & Merisotis, 2005).

The second area, *institutional financial*, runs the gamut from the ability to procure inventory for resale, to financing renovations, purchasing furniture, fixtures and equipment, and securing bond or other external funding sources for large capital construction (Goldstein et al., 1993; Phipps & Merisotis, 2005; Wertz, 2000; Wertz & Dreyfuss, 1995).

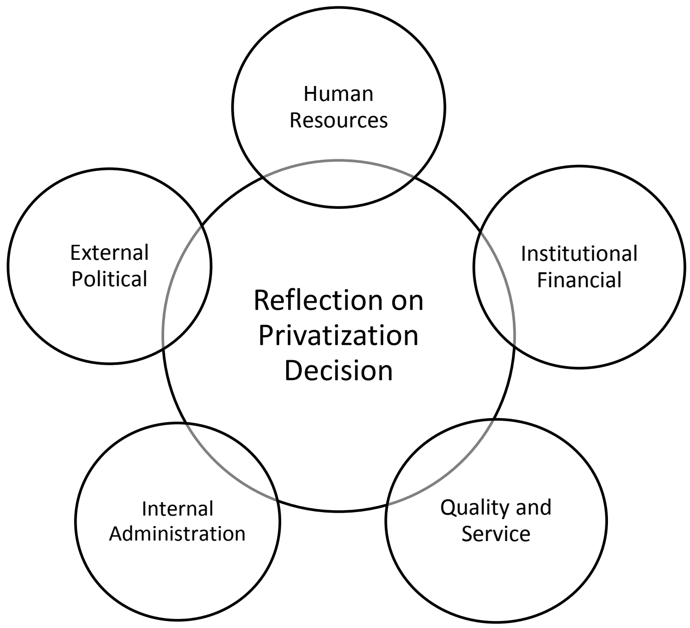

Figure 1. Gordon's (2019) privatization decision framework.

The third impact of *quality and service* relates to both tangible and intangible factors. University dining operations uniquely incorporate both aspects, for the quality of the product and the level of service are constantly under evaluation by participants (Aramark, n.d.; Glickman, Holm, Keating, Pannait, & White, 2007). Similarly, university bookstores must meet customer demands for selection and quality of course materials (Follett, n.d.; Zerilli, 2012).

The fourth topic, *internal administration*, examines past experiences institutional administrators experienced with private contractors or self-managed operations (Goldstein et al., 1993; Phipps & Merisotis, 2005). Senior administrators may have sought service changes independent of an evaluation, the need to do so indicated a personal or institutional bias.

The fifth focus encompasses *external political factors*, which include the demand for accountability and transparency by universities or legislative bodies regarding the appropriate application of funding for efficient and effective operations. Parents, members of Board of Trustees or Board of Visitors, state legislatures, and the federal government apply pressure to the leadership of an institution to meet expectations for student success at the lowest cost with the highest quality (Baum, 2017; Bauman, 2018; Courant, McPherson, & Resch, 2006; Harris & Kelderman, 2017; PROSPER Act, 2018).

Summary of Methods

My survey sample consisted of public, four-year universities located in the United States with current membership in the National Association of College Auxiliary Services (NACAS). An announcement of the survey was posted in the member's only area of the organization's listserv with a link to the survey. The resulting survey was web-based, cross-sectional, and created using the Qualtrics tool. Survey questions were designed to classify the institution by size and location, identify privatized services, characterize factors influencing the evaluation of a potential privatization decisions, and indicate the level of satisfaction with the privatization decisions (Creswell, 2009).

My quantitative approach utilizing the postpositivist model of inquiry through survey and data collection of responses from institutional members who met screening criteria (Creswell, 2009; Mertens, 2005). A Likert scale type was applied to several questions (Allen & Seaman, 2007; Carifio & Perla, 2007; Norman, 2010). Analysis of numerically-scored data was conducted using known statistical tests, allowing the researcher to report findings in an unbiased, objective manner (Fink, 2006).

Significance of Study

Administrators and auxiliary service professionals have no post-decision information to guide them when considering a change of current service provider. My study served to build upon the existing knowledge base and address gaps in the current research, specifically, the lack of information regarding post-privatization decision perceptions at public four-year universities in the United States.

Definition of Terms

The following key terms are important to create a context for my study.

Auxiliary Services, also known as Auxiliary Enterprises, Ancillary Enterprises, Business Services, or Campus Services, are a university business enterprise distinguished from primary programs of instruction, research, and athletics, which traditionally operates on a self-supporting basis. The primary purpose of this unit is to provide specified services to the campus community and constituent groups of the university such as visitors. Examples of auxiliary services include food services, bookstore, parking and transportation services, the identification card office, mechanical maintenance, housing, janitorial services, purchasing, health centers, computer services, mail services, printing, and security.

Contractor, is a for-profit business entity that provides services traditionally operated by a university for a fee.

Co-Sourcing, is the act of forming a consortium with other institutions to reduce costs and increase revenues.

General Fund, is used to account for transactions related to academic and instructional programs and their administration. Typically, appropriate general fund expenditures are those that support general operating activities. Sources of revenue for the general fund primarily consist of (1) state appropriations; (2) student tuition and fees; (3) recovery of indirect costs; (4) investment income; and (5) incidental departmental revenue.

National Association of College and University Auxiliary Services (NACAS), was founded in 1969. NACAS members represent over 700 institutions of higher education and 200 business partners world-wide. The organization was established to provide insight, education, and opportunities for its members.

National Association of College Auxiliary Services (NACAS), is a membership organization representing more than 2,500 colleges, universities, and higher education service providers across the country and around the world. NACAS was founded in 1962; it represents chief business and financial officers through advocacy efforts, community service, and professional development activities. The association's mission is to advance the economic viability and business practices of higher education institutions in fulfillment of their academic missions.

Privatization is commonly referred to as outsourcing, contracting out. Services formerly provided by a university are managed by an external, for-profit company and the business relationship is subject to the terms of a negotiated management contract.

Summary of Chapters

Privatization of university services has been increasing in both the amount of institutions in addition to the individual services privatized. The decrease in state funding for universities along with a challenging economy results in students and their families conducting a thorough analysis of the costs and benefits of a higher education degree. University administrators are under significant internal and external pressures to provide high-quality educational experiences and good value for associated products and amenities. As administrators seek alternative means to control costs and improve their customer satisfaction, privatization of services traditionally provided by the university has become a popular alternative to self-operation. Contract service providers may provide capital for inventory, physical improvements or renovations, professional management, and multi-institutional expertise.

University administrators and auxiliary services professionals find themselves with limited tools to assess the various aspects of a privatization decision. Once a privatization decision has been made, there is no clear method to evaluate this course of action or a continuous improvement mechanism to evaluation of success. The pressure on university administrators to deliver high-quality products and services in an efficient manner supports the need for post-privatization decision research. Several studies provided tools to evaluate a pre-privatization decision. A new tool, Gordon's 2019 Privatization Decision Framework, was developed to further classify the 12 privatization factors into five privatization decision themes. A historical perspective of the evolution of university auxiliary services and a review of literature is presented in Chapter II. The work of researchers including Goldstein et al. (1993), Phipps and Merisotis (2005), and Wertz (1995, 1997), among many others, are examined to illustrate the relatively short period of time that it took privatization to rise to the forefront of university administrators' management options. Additionally, the importance of the growing knowledge base in this area is commented on.

Chapter III examines the quantitative methodology research design and survey instruments utilized to study the satisfaction with a post-privatization decision involving dining services and bookstores at public four-year universities.

Chapter IV presents the survey results including demographic, respondent and institutional information, and provides a review of the research questions and findings.

Chapter V outlines limitations and delimitations of the study, options for future study, and final thoughts.

CHAPTER II

LITERATURE REVIEW

This chapter presents a historical review of events that impacted public higher education, including periods of growth and contraction, funding changes, and trends towards privatization in business and government. An in-depth examination of the unique challenges and opportunities facing auxiliary service business units on university campuses provided the foundation for my research. As the literature overview in Chapter I demonstrates, the study of privatization aspects and impacts in higher education is fairly recent, with initial research introduced in the early 1990's. My study sought to advance the knowledge base by identifying factors influencing privatization decisions and satisfaction measures.

Events Impacting Higher Education Funding and Growth

Public universities experienced their golden years following World War II when government funding and private donations were at their peak (Bruininks et al., 2010; Geiger, 1987; National Center for Education Statistics, 1993). The Servicemen's Readjustment Act of 1944, popularly known as the "G.I. Bill" provided the opportunity for more than 2.2 million World War II veterans to attend universities (Gumport & Pusser, 1999). Campus administrators rushed to accommodate this large influx through expansion of buildings, programs, and student services (Blumenstyk, 1992). A new area, known as Auxiliary Services, emerged within universities and was charged with the responsibility for non-academic support services, including construction and management of student unions, dormitories, bookstores, recreational facilities, and cafeterias (Wertz, 1995).

The late 1940's through 1950's was a time marked by interest in the study of higher education in the United States, as prominent scholars with support from the Federal government and philanthropic foundations examined ways to improve and extend programs to more Americans (Thelin & Wells, 2002). *Higher Education for American Democracy,* also known as the “Truman Report” was written in 1949. It recommended several key initiatives for universities, such as federal financial aid and post-secondary program expansion similar to the G.I. Bill to improve “access, equality, and democracy” (Gilbert & Heller, 2010, p. 2). This landmark report generated broad discussion regarding discrimination, inequities, and affordability of higher education, but failed to gain traction in initiating funded programs until the 1960’s (Birnbaum, 2000a; Thelin & Wells, 2002).

Campuses during the 1960’s became the focal point for student led political protests against the Vietnam War, which drew national attention to events like the Kent State shootings. Other social causes like the Civil Rights Movement and Feminism drew diverse groups of students together, and universities often served as central gathering places (Thelin & Wells, 2002; Wertz, 1995). Women and minorities entered colleges in record numbers during the decade, which changed the university demographics from predominantly white, middle-to-upper class males to an environment with diverse gender, ethnicity, and religious practices among students.

President Johnson signed the Higher Education Act of 1965, which in part, established federally-subsidized student loan programs that provided wider access to higher education for many lower- and middle-class students (Gilbert & Heller, 2010; Thelin & Wells, 2002). However, improved student access to financial aid and other support was not enough to alleviate the financial difficulties many institutions faced, as admissions did not reach the levels sought by the Truman Report (Geiger, 1987; Gilbert & Heller, 2010; Wertz, 1995).

Higher education challenges continued during the 1970's as a result of the energy crisis, a recession, and the decline of baby-boomer enrollment. These issues necessitated a need for higher education institutions to implement planning models of academic and support services, with the goal of controlling expenses and allocating resources more efficiently (Balderston, 1974). The Carnegie Commission on Higher Education released a three-volume report offering a comprehensive examination of higher education (Carnegie Commission on Higher Education, 1972; Wertz, 1995). *The New Depression in Higher Education: A Study of Financial Conditions at 41 Colleges and Universities* revealed significant challenges in costs, funding, and the socio-political dynamics, and signaled the end to unchallenged autonomy in higher education (Cheit, 1973). The report was a catalyst for the formation of the national associations that facilitated collaboration, research, and scholarship of key findings in an effort to expand the knowledge base of their particular discipline or functional area. In addition, political conditions necessitated the formation of education associations where membership served as a powerful lobbying tool (Thelin & Wells, 2002).

The 1980's offered institutions a slight reprieve from their financial challenges due to significant gains in the stock market and a renewed philanthropy from alumni and business affinity towards higher education (Wertz, 1995). This period was short lived, however, for when technology stocks fell out of favor, they drove all the major markets sharply downward and significantly impacted private funding sources. Glenny and Schmidtlein (1983) foretold the challenges for higher education:

> Two dilemmas will confront higher education as enrollment-driven revenues level and decline at many institutions. First, new basis for justifying budget increases will be sought by institutions. Second, migration and population growth patterns will result in

> some campuses growing, some remaining stable, and others contracting (perhaps substantially), often within the same state. (p. 13)

The late 1980's through the 1990's met with renewed calls for accountability and efficiency by state and federal legislators, which significantly impacted higher education (Gupta, Herath, & Mikouiza, 2005; Wertz, 1995). Administrators felt added pressure because of the growing expectations for reform. "Demands for teaching students more effectively at lower costs, occurred across the higher education system and were assimilated under the banners of increased quality, productivity and efficiency in higher education" (Gumport & Pusser, 1999, p. 8). A trend towards treating students as customers developed once privatized educational services providers and some public universities began offering online-based degree programs that started to chip away at traditional university enrollment (Blumenstyk, 1992; Bonvillian & Singer, 2013; Harris, 2006; June, 2017; Swenson, 1998). Tuition and fees rose substantially in order to bridge the gap between the lack of students and legislative funding reductions (Gupta et al., 2005; Institute for Higher Education Policy, 1999; McPherson & Shapiro, 2003; Schuh, 2003). This period was marked by a profound change in higher education as administrators recognized enrollment growth was slowing and academic authority was being challenged (Gumport & Pusser, 1999). Nicklin (1995) noted "…a person would be hard pressed these days to find a college that doesn't claim to be evaluating or reshaping itself…" (p. A15).

With the arrival of the new millennium, higher education was firmly entrenched in the same measurements of program efficiency and effectiveness that many states tied to appropriation funding (Adams & Shannon, 2006; Birnbaum, 2000b). In 2008, President Bush signed the *Higher Education Opportunity Act* into law (the first full reauthorization of the *Higher Education Act of 1965*), which included significant reporting requirements in the areas of drug and alcohol abuse, costs, textbook information, teacher program preparation disclosures, and general institutional information, with associated fines for failure to comply (Gilbert & Heller, 2010; Tromble, 2008). During this time, the United States was experiencing a significant recession (Barrow & Davis, 2012). Public higher education experienced a rollercoaster of funding decreases and increases. Sav's (2016) research noted the decline in legislative funding:

> Publicly owned and operated colleges and universities have undergone decades of protracted declines in state legislated funding support. Nothing, however, has witnessed the accelerated declines in such support induced by the financial crisis and the Great Recession. At the outset of the 2004 academic year, state funding represented 32% of public college and university revenues (GAO 2014). By 2008, it declined marginally to 31%. Thereafter, it dropped unremittingly to 23% by 2013. (p. 312)

The PROSPER Act, H.R. 4508, (Promoting Real Opportunity, Success, and Prosperity Through Education Reform) was introduced in December 2017, by North Carolina House Education and Workforce Chair Virginia Fox. The bill sought "To support students in completing an affordable postsecondary education that will prepare them to enter the workforce with the skills they need for lifelong success" (PROSPER, 2018). The legislation would change repayment options for federal student loan borrowers, eliminate loan forgiveness for some borrowers, and provide additional PELL grant funding (Congressional Budget Office, 2018).

Measurement and accountability in higher education modeled itself after business analytical tools, including Total Quality Management (TQM), benchmarking, and Six Sigma (Birnbaum 2000a, 2000b). The prestigious Malcolm Baldrige National Quality Award was adapted for higher education, complete with workshops for administrators about implementing the Excellence in Higher Education Model (Ruben, 2007).

Overall, the financial crises of the past decade that caused housing foreclosures, collapse of major financial institutions, and the bailout of companies deemed "too big to fail" by the Federal government, contributed to not only the shortage of education funding, but also to further demands for efficiency and accountability in higher education (Phipps & Merisotis, 2005; Vedder et al., 2010). As unemployment soared, some universities experienced an influx of students who viewed a college degree as vital preparation for a new career, and tenuously underemployed workers sought higher degrees to strengthen employment as part of a battle for survival (Selingo, 2005).

Higher education continues to face significant struggles because of enrollment fluctuations, unprecedented state budget cuts, endowment and fund-raising challenges, and legislative pressure on tuition restraint (Adams & Shannon, 2006; Brown & Gamber, 2002; Dew, 2012; Wekullo, 2017). "Yet even though higher education is an important source of economic and social progress, public investment is not keeping up with increased enrollments or the costs of high-quality teaching and research – and the future doesn't look any brighter" (Newfield, 2008, p. A128). The relationship between state government and higher education institutions has changed dynamically as legislators demand greater accountability to improve efficiencies and funding becomes tied to specific performance measures (Congressional Budget Office, 2018; Lowrey, 2009; McLendon & Mokher, 2009). Complications exist, as Brown and Gamber (2002) concluded:

> State policy makers may not always be cognizant of whether their policy actions contribute to cost containment at the institutional level or act as barriers that create less opportunity for these institutions to operate more efficiently. Therefore, more purposefully connecting the funding relationship between state governments and colleges

> and universities while also accounting for the fundamental effect on their cost structure is critical. (p. 101)

Varying political philosophies towards higher education facilitated further debate, including former United States Secretary of Education Spellings (2010) who stated:

> …the administration should take steps to promote innovation so that more students may have affordable access to higher education. It should support accountability and transparency so that students have a better idea about the value of the education they are buying and should oppose efforts to remove educational opportunities to which underserved populations are finally being given access. (p. A25)

Soaring student debt has raised concerns regarding the value of higher education (Harris, 2017; Hoover, 2017). In a speech to members of the U. S. Banking Committee, U. S. Federal Reserve Chairman Jerome H. Powell warned, “Student-debt has reached such formidable levels that it could hold back economic growth” (Bauman, 2018, p. 427). North Carolina Representative Virginia Foxx, chair of the House Committee on Education and Workload stated, “No American — no matter their walk of life — can afford for us to simply reauthorize the Higher Education Act. They need us to reform it” (Harris & Kelderman, 2017, para. 3).

Many states implemented performance-based funding models for public institutions with an initial focus on accountability and later included measures towards incentivizing meaningful impact to key stakeholders (Hillman, Tandberg, & Gross, 2014; Hladchenko, 2015). “The current wave of performance-based funding to increased accountability and increased efficiency of operations. One of the main differences between performance-based funding then and now is the change in the focus from meeting the needs of higher education to meeting the needs of students, the state, and its economy” (McKeown-Moak, 2013, p. 1).

Maintaining competitive academic programs requires higher education administrators to focus on agility, creativity, and transparency. Clearly, universities need to remain focused on effective cost control measures, adequate fund balance management, endowment growth, and identification of non-tuition-based revenue sources.

Privatization Trends in Government

Contracting at the various levels of government is not new. Indecap Enterprises, Inc. (1992) compiled a list of privatization articles in business publications and found 144 articles in 1985, 689 articles in 1990, 1,196 articles in 1991, and 2,030 articles in 1992, which reveals the increase in research exploring privatization topics.

Federal, state, and local governments contract a variety of services to reduce costs, improve service delivery, attain high-level technical expertise, and address staffing challenges (OECD, 2010; Seidenstat, 1999; Walsh, 1995). One of the earliest contracted services in the United States was The Pony Express, which delivered transcontinental letters from San Francisco to New York in nine days (Jarosz, 1972).

The privatization of government services gained momentum in the late 1970's after British Prime Minister Margaret Thatcher sought to divest state-owned enterprises, which had lacked efficiency and effectiveness due to poor management (Johnson & Walzer, 2000; Parker & Saal, 2003; Walsh, 1995). President Reagan's close relationship with Thatcher was a catalyst for the privatization wave in the United States during the 1980's. The Privatization Task Force of the Private Sector Survey on Cost Control (PSSCC), commonly referred to as the Grace Commission, was headed by Chair J. Peter Grace and sought to "…identify opportunities for increased efficiency and reduce costs achievable by executive or legislative action" (United States Congressional Budget Office, General Accounting Office, 1984, p. 2). The report contained over 2,500 recommendations, contending such changes would result in $424 billion in savings within three years (President's Private Sector Survey on Cost Control, 1984). As the public became familiar with the contents of the report, there was a growing backlash against rising costs and the perceived inefficiency of services provided by the government. DeHoog and Stein (1999) posited:

> Even though some of the efforts were largely composed of rhetoric and not substance, the rhetoric itself changed the way in which the public viewed government. People believed now more than ever that not only was government wasteful and interfering, but government itself was the problem. The solution was to cut back government, to make it more efficient, and to bring in the private sector to help government provide or produce services. (p. 26)

Privatization was also trending with state and municipal government units in the 1980s as a means to reduce costs, improve efficiencies, and enhance services (Donahue, 2000; Hefetz & Warner, 2007; Johnson & Walzer, 2000; Miranda, 1994; Rubin, 2009; Seidenstat, 1999; Walsh, 1995; Zullo, 2009). Studies of governmental privatization efforts examined the benefits and challenges of these services (Johnston, 2014). For example, DeHoog and Stein (1999) conducted a survey focusing on contracted services of 165 municipalities with populations over 50,000. Their response rate was 63% (104 respondents) of which 78.8% contracted out at least one service during the previous ten years, and their level of satisfaction was fairly high (DeHoog & Stein, 1999).

The National League of Cities conducted a 2009 survey of 2,195 city officials regarding privatization. Respondents indicated 69% of state contractors provided high-quality service and 55% confirmed fiscal savings from contracted relationships (Girth & Johnston, 2011a).

Although 93% supported contracting of services, 69% indicated their preference was for providing services without the use of an outside contractor (Girth & Johnston, 2011a). It was also found that contacting government services was not without challenges, as officials recognized that holding contractors accountable for performance, loss of expertise within the organization, and attaining anticipated cost savings were significant hurdles (Gibson, 2004; Girth & Johnston, 2011b).

The most common services selected for privatization were those that were tangible in nature, in part because the public could easily identify such services, and administrators had the ability to monitor and assess performance based on service or other measurable standards (Donahue, 1989; Johnson & Walzer, 2000). These services included parking, rubbish collection, street maintenance, animal control, and waste water treatment (Jeppesen & Dorsett, 2014; Savas, 2000; Van Slyke, 2003). Today, the options to privatize are expanding, leading governmental administrators evaluate their decision in broader terms than the traditional cost/benefit analysis. O'Looney (2000) suggested examination of the quantitative aspects of the cost/benefit analysis in relationship to the qualitative criteria of political, economic, and managerial impacts to formulate an outsourcing decision.

The extent of privatization of government services has yet to be determined; however, it is predicted to expand. Savas (2000) found, "Privatization has been widely accepted and continues to advance, despite opposition, because of pressure to improve efficiency, reduce the role of government, allow private firms to perform commercial work that is not intrinsically governmental, and to expand the role of local, nongovernmental and community-based organizations" (p. 57).

Privatization Trends in Primary Education

Public primary education has been subject to the privatization trend as a result of state funding scarcity (Zopf, 2010). There are many unique facets to public education that allow for expanded privatization, including education of students. “Privatization in education is difficult to isolate not just because there are different types of privatization, but also because those types themselves get commingled in the real world” (Hentschke, 2006, p. 3).

The National Education Association (1989) was one of the first organizations to prepare an anti-privatization manual for its members that focused on strategies to counter proposed cost-savings measures. The National Education Association represented over 3 million members who work in various roles within public education and provided resources to defeat a privatization decision (National Education Association, n.d.).

Mathis and Jimerson (2008) conducted a literature review on the privation of public-school support services and found that almost all schools contract one or more services. Similar to the National Education Association, their work recommended key areas to examine regarding a privatization decision and cautioned “There is a fundamental clash between the primary missions of schools and for-profit enterprises” (Mathis & Jimerson, 2008, p. 24). Lafer and Bussel (2008) conducted a follow-up to their 2003 study on privatized services at three public school districts in Oregon concluding:

> Time after time, board members, faced with tight budgets and scarce resources, believed they had washed their hands of a problem by contracting services out only to find that they had unintentionally created a new set of headaches and hazards. (p. 61)

Bryant (2009) studied the privatization of non-instructional services at three southeastern Michigan school districts finding “…the study demonstrated how little some of the stakeholders understand the process and how the outcomes of the decision really impacted the school district and the community" (p. 102).

Privatization Trends in Higher Education

Higher education like other governmental entities has not been immune to the trend of privatization. Privatization in higher education gained renewed interest in the late 1980's when administrators began to "explore various cost-containment strategies, including reengineering, rightsizing or downsizing, restructuring, and privatization" (Wertz & Dreyfuss, 1995, p. 21). The need to control costs in a tuition sensitive environment is especially challenging for public universities (Adams & Shannon, 2006). Zemsky, Wegner, and Massey (2005) found "Market forces drive institutions to evaluate what they do as well as how they do it" (p. B6).

A significant amount of literature exists regarding the funding dynamics of higher education and the alternatives available to provide additional revenue and contain escalating costs (Angelo, 2005; Ender & Mooney, 1994; Geiger, 1987; Gilmer, 1997; Indecap, 1992; Mercer, 1995; Primary Research Group, 1997; Wertz, 1995; Wertz & Dreyfuss, 1995; Woods, 2000). As funding sources deteriorate, revenue-generating operations face increased demands, which results in an environment where institutions are more likely to explore options that provide a defined stream of revenue (Amirkhanyan, Kim, & Lambright, 2007; Bushman & Dean, 2005; Moneta & Dillon, 2001; Quigley & Pereira, 2011).

Privatization represents a change from the delivery and/or administration of services by the university to those services being provided by an external for-profit entity under the supervision of the university (Gupta et al., 2005; Morphew & Eckel, 2009; Palm, 2001; Quigley & Pereira, 2011; Wertz, 2000). The trend towards privatization is generally attributed to the decline in state appropriations to public universities (Ehrenberg, 2006; Gupta et al., 2005;

Ikenberry, 2009; McLendon & Mokher, 2009; NACAS, 2010; Priest & St. John, 2006). Lowry's (2009) research on university privatization concluded, "Much of the impetus for current calls for privatization comes from the failure of appropriations to keep up with costs" (p. 49).

Privatization is the most popular option to expand and diversify revenue streams (Eckel & Morphew, 2009; Priest & St. John, 2006). Hearn (2006) characterized the broad revenue-generating initiatives within universities under the areas of:

- instructional including course delivery and collaboration;
- research and analysis encompassing incubators and partnerships;
- pricing where typical market forces are used to establish price;
- financial decision-making in management led by data-driven decisions;
- human-resource maximization through incentives and recoupment of effort;
- franchising, licensing, sponsorship, and partnering arrangements, including alumni, vendors, and other strategic partners;
- auxiliary enterprises, facilities, and real estate developed through third-parties that benefit campus constituencies;
- development office strategies to operate in cost-effective means of securing large, unrestricted gifts. (pp. 88-96)

The commonality between each initiative is the necessity to expand revenue generation in support of the university mission (Heller, 2006; Mogilyanskaya, 2012; Priest & St. John, 2006). Revenue sources consist primarily of state appropriations, tuition, fees, endowment income, and revenue obtained from the sale of goods and services (Adams & Shannon, 2006; Lederman, 2014; Palm, 2001). "As the largest discretionary line in most state budgets, declines in state higher education support can be partially explained by increases in the need to fund other budget items such as Medicaid, K-12 Education, and Corrections" (Bhandari, Curs, & Steiger, 2011, p. 427). Many states have placed pressure on public institutions through the limitation of tuition increases, which is tied to appropriations (Glenny & Schmidtlein, 1983; Gupta et al., 2005). Such limitations restricting tuition and fee increases combined with the poor performance of endowments has resulted in the sales of goods and services as the only unrestricted area for revenue generation (Gumport & Pusser, 1999; Kennedy, 2002; NACAS, 2010; Phipps & Merisotis, 2005).

Almost any service offered on the university campus can be privatized (Bartem & Manning, 2001; Davies, 2005; Lipka, 2010; VanHorn-Grassmeyer & Stoner, 2001; Vedder et al., 2010; Wertz, 2000). Commonly privatized services include the bookstore, dining services, janitorial/grounds services, housekeeping, printing/copying, motor pool, and parking (Adams et al., 2004; Bartem & Manning, 2001; Blumenstyk, 1992; Braz et al., 2001; Bushman & Dean, 2005; Daneman, 1998; Gose, 2006; Jeppesen & Dorsett, 2014; Milstone, 2010).

The American School and University's Seventh Privatization/Contract Services Survey discovered only 6% of colleges and universities did not contract services in 2001, which was a slight increase over the 5.3% in 1999 (Agron, 2001). A 2002 Institute on Higher Education Policy survey of 112 public colleges and universities found that the majority outsourced from two to five services (65%), a significantly lower number outsourced only one service (13%), an equal number outsourced more than five services (13%), and a small minority did not outsource any of their services (9%). The largest revenue-producing auxiliary business units are dining services and bookstores, which makes these the most common targets for privatization (Angelo, 2005; Ender & Mooney, 1994; Glickman et al., 2007; Wertz, 1995, 2000).

The Role of Auxiliary Services

Universities are typically organized by broad functional areas that include academics, student services, athletics, business services, and institutional advancement (Palm, 2001). Among these functional areas are distinct units that oversee specific operational programs or services. The business units that typically serve the non-educational support needs of students, faculty, staff, and the public are deemed auxiliary, ancillary, business affairs, or business services. My study focused on the services referred to as "Auxiliary Services." These services vary among higher education institutions, but traditionally encompass dining services, bookstore, vending, conference and catering operations, and ID card services (NACAS, 2005; NACAS, 2010; Pittman & Gray, 2006; Priest, Jacobs, & Boon, 2006; Schuh, 2003; Wertz, 1997). Many institutions operate these businesses to support student, faculty, staff, and other constituent needs. The typical mission of an Auxiliary Services unit is to meet the needs of a diverse customer base by offering a variety of retail products and services, and to provide contribution to the institution either through direct or indirect payments (Milshtein, 2010). Self-operated auxiliary businesses provide universities with control over products and services, direct management of operations, and staff positions with university benefits (Goldstein et al., 1993; Vedder et al., 2010; Wertz, 1995). While the goal is to operate profitably and contribute to the university, some auxiliary business units do not generate a profit and may operate at a loss (Davies, 2005; Priest et al., 2006).

Auxiliary businesses in public universities traditionally served as self-operated departments, while contracted service companies built relationships with private colleges (Mercer, 1995). A review of the literature from 1960 to 1975 reveals that privatization was a rarely employed method of operating auxiliary businesses in public institutions (Goldstein et al., 1993; Wertz, 1995). For-profit contract management companies did not pursue the public higher education market until the late 1970's (Wertz & Dreyfuss, 1995).

Contract service providers made a strategic shift by turning attention from growing their businesses at the competitors' contract expiration to expansion of their market share through conversion of self-operated programs to privatized management (Angelo, 2005; Gramling et al., 2005; Indecap, 1992). Projections for 2018 Food Management (2018) listed the top five food service management companies by 2017 revenues as the Compass Group North America ($17 million), Sodexho Inc. ($11.264 million), Aramark Corporation ($10.232 million), Delaware North Companies ($3 million), and Elior North America ($1.2 million). The "big three," Compass, Sodexho, and Aramark control a majority of the university food service contracts due in part to their ability to offer long-term contracts with significant financial capital contributions towards upgrading facilities and equipment (Krehbiel & Meabon, 2006). The National Restaurant Association (2017) reported that college and university commercial restaurant food and drink sales in 2016 were $16.5 billion and 2017 sales were estimated to be $17.3 billion, forecasting a 5.1% overall sales increase over the previous year. Noncommercial restaurant sales for the higher education market in 2016 were $8.2 billion with 2017 estimated to be $8.5 billion, forecasting an overall increase of 4.1% (National Restaurant Association, 2017).

Dining contract service providers found other unique niches to further entrench themselves at universities. Sodexho and Aramark, providers of food services, expanded their business to include concessions, facilities management, housekeeping, and ground maintenance (Angelo, 2005).

Traditional brick-and-mortar businesses have perceived universities as fertile ground to expand and aggressively increase market share. Barnes & Noble, a traditional bookseller, entered the college textbook market in 2000; by 2005 it operated over 500 stores on university campuses in 43 states (Barnes & Noble College Marketing Network, 2005; Dawkins, 2006). Discount retailer Wal-Mart expanded their web-based business into college textbook sales, offering more than 300,000 titles with ease of returns through any retail store (Palmore, 2004; Wal-Mart, 2005). Chegg, the country's largest textbook rental service, had a significant impact on college campuses by allowing students to bypass the campus bookstore and receive textbooks through the mail (Rosen, 2013). Amazon.com initiated a rental program that permitted customers to resell their textbooks through the company's website (Anonymous, 2012). In a move to challenge bookstore contractors, Amazon launched Amazon Campus, which featured joint websites and purchase pickup locations accessed by a purchase code with the University of Massachusetts-Amherst, University of California-Davis, and Purdue University (Mendoza, 2015).

Institutions seeking to focus on their core educational mission have turned to external service providers for a turn-key solution (Adams et al., 2004; Angelo, 2005; Gose, 2005; Martin & Samels, 2010; Mercer, 1995). The advantages of deploying such turn-key operations with a defined role, operational standards, and proficient management team, allow university administrators to remove the challenges of overseeing daily procedures, purchasing inventory, providing services, and dealing with human resource issues (Lipka, 2010; Quigley & Pereira, 2011; Wertz, 1995; Willyerd, 2013).

The lack of qualified, competent management to run such operations efficiently forces institutions to consider outsourcing (Angelo, 2005; Barnes & Noble College Marketing Network, 2005; Gose, 2005). Contract service providers employ professionally-trained staff to manage operations within strict financial controls in order to provide the contracted payment to the institution (Agron, 2001; Angelo, 2005; Primary Research Group, 1997; Wertz & Dreyfuss, 1995). Political pressure from administrators, trustees, or legislators also force auxiliary service leaders into the difficult position of considering their operations for privatization (Wertz, 1995). Unfortunately, this pressure may not have a foundation in sound financial decision-making, causing administrators to react without conducting due financial diligence (Gilmer, 1997; Kennedy, 2015; Kezar, 1999; Kirp, 2002; National Education Association, 2004).

The high carrying cost of inventory and equipment may also lead to privatization decisions in higher education institutions (Angelo, 2005; National Association of College Auxiliaries, 1995; Primary Research Group, 1997; Wertz, 2000). College bookstores, in particular, maintain a significant amount of inventory from semester-to-semester, and labor costs for off-peak periods can put a sizeable dent in profits (Barnes & Noble College Marketing Network, 2005; Palmore, 2004; Wal-Mart, 2005; Wertz, 1995; Wertz & Dreyfuss, 1995). A privatization decision can offer the institution an opportunity to convert funds tied-up in inventory to cash for immediate use in programs or facilities improvements. For example, the University of Georgia received a $5 million cash payment for their textbook inventory from Follett when they made the decision to privatize their operations (Gose, 2005).

While privatization has been an option for traditional auxiliary-based units since the early 1960’s, it originally involved food service and bookstore operations. Yet, mounting financial pressures have also led to the privatization of many non-traditional areas within higher education, including daycare centers, computer system administration, public safety, and secretarial staffing (Gilmer, 1997; Goldstein et al., 1993; Primary Research Group; 1997; Willyerd, 2013; Woods, 2000).

Privatization Decision Evaluation Tools

The decision to explore potential privatization of services is a daunting challenge for university administrators. Scott (1973) outlined the options available for university administrators who seek to operate dining services with a contractor, including the type of contract and responsibilities of the parties to the contract. Davies (2005) outlined the process with five simple steps "…identify potential areas for outsourcing, develop your request for proposal, select a contractor, inform your employees of outsourcing, and manage the contractor once the work has been awarded to it" (p. 20). Bushman and Dean (2005) found "The diversity of higher education institutions makes it difficult to identify a standard approach for choosing outsourcing. No two institutions encounter the same legal, labor, financial and academic issues" (p. 14).

In order for administrators to approach the evaluation of a privatization decision, a more robust approach that provided an outline of the required review steps, identified key stake holders, and applied an objective decision-making tool that accumulates information from a variety of financial and non-financial perspectives was needed. With the support of CHEMA, Goldstein et al. (1993) developed a framework consisting of three robust tools to assist administrators with the evaluation of a privatization decision: Structural Decision Process, Conceptual Decision Process, and Functional Decision Process. These tools equipped university administrators with an objective process to evaluate privatization decisions consistent with the unique needs of their campus.

The Structural Decision Process provided a big picture view of a privatization evaluation project, specifically, where key responsibilities, milestones, and criteria are identified (Goldstein et al., 1993; Rush et al., 1995). The process was divided into phases which guided the leader through the selection of participants, development of a framework, analysis, selection, and review of the decision (Goldstein et al., 1993). This tool is frequently found in Request for Information (RFI) and Request for Proposal (RFP) documents sent to potential contract services providers (Goldstein et al., 1993; Phipps & Merisotis, 2005).

The Conceptual Decision Process outlined fundamental areas and respective processes that, regardless of institution, must be considered when evaluating the overall decision to privatize or remain self-operating. Goldstein et al. (1993) identified the fundamental areas as “financial, human resources, mission and culture, management control and efficiency, service quality, and legal and ethical considerations” (p. 5).

Key representatives from various departments within the university were typically selected by executive management to serve on the project team with defined roles and responsibilities (Goldstein et al., 1993; Phipps & Merisotis, 2005; Rush et al., 1995). These representatives were charged with gathering information and following outlined processes to analyze the impact of a privatization or self-operated, and to provide a recommendation to key decision makers (Goldstein et al., 1993).

As an institution progressed through the Conceptual Decision Process, the next step was the Functional Decision Process. The Functional Decision Process Matrix was a tool that clearly illustrates the six decision factors and the seven decision processes and allowed decision makers to see the big picture of a privatization evaluation project where key responsibilities, milestones and criteria were transparently identified (Goldstein et al., 1993, p. 32). This framework applied to most functional areas, which resulted in a valuable tool that assisted administrators in the identification of one or multiple areas for a privatization evaluation. The institution could assign a weight to each factor to provide a functional quantitative evaluation rubric.

Goldstein et al.'s (1993) work has served as a foundation guidebook presenting an evaluation process rather than a pre-determined course of action for administrators to evaluate whether or not to pursue a privatization decision. "Managers need the flexibility to employ whatever operational approach best offers cost-efficient, high-quality service in a manner that is consistent with the institution's strategy, mission, and culture" (Goldstein et al., 1993, p. vii). Their work is the largest body of research available to university administrators seeking to evaluate a privatization decision; however, it is not all encompassing.

Wertz (1995), while serving as Vice President and Director of Business Affairs at the University of South Carolina, recognized the increase in privatization activities but acknowledged that the extent of the impact to universities was unclear. "There has been no particular pattern of privatization on campus" (p. 4). His early work on the topic was from the point of view of university administrator and this piqued the interest of forward-thinking auxiliary service professionals. Wertz expanded upon Goldstein et al.'s (1993) work to illustrate an evolution towards broader, qualitative factors with a strong institutional focus. Identifying the benefits of privatization to universities was at the forefront of Wertz's (1995) work "As privatization methods are utilized more frequently in higher education, there are indications that it is becoming more generally accepted, as demonstrated by an expanding privatization literature base" (p. 25).

Wertz (1997) identified seven privatization impacts on higher education: cost of operations, financial incentives, facilities renovation, expertise and equipment, efficiency, institutional philosophy, and problem solving. In a subsequent work, Wertz (2000) refined his privatization impacts to a single theme, "There are many pressures on colleges and universities to privatize or outsource their campus services, but the primary reason many institutions have increased privatization is because of financial pressures" (p. 5).

Building upon the work of Goldstein et al. (1993), as well as Wertz (1995, 1997, & 2000), Phipps and Merisotis (2005) explored the extent of outsourcing administrative and operational functions relative to costs and pricing of services and products and suggested that this topic was appropriate for further research and discussion. Their research utilized the tools developed by Goldstein et al., and concluded, "Virtually all of the literature regarding outsourcing in higher education has been written during the last decade. In fact, most has been written since the year 2000" (Phipps & Merisotis, 2005, p. 3).

Privatization Research Studies

The limited body of studies on the privatization of higher education services fall into several categories, including decision-making, challenges and opportunities of privatization, and post-privatization results of specific operational areas.

Decision Making

The Council of Higher Education Management Associations (CHEMA) supported Goldstein et al.'s (1993) work, *Contract Management or Self-Operation*, which "…intended to assist higher education managers and administrators in making efficient and effective decisions regarding the management of their institution's support services" (p. v). It is the first work to provide important frameworks for university administrators considering a privatization decision and is frequently cited by researchers in this field.

Bartem and Manning (2001) reviewed literature from the perspective of a university business officer (Bartem) and contracted services executive (Manning) and provided insight into successful collaborative relationships. The challenges when undertaking a privatization evaluation were acknowledged:

> The shift in mindset that outsourcing demands can be both powerful and wrenching for higher education institutions. 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. (Bartem & Manning, 2001, p. 44)

Phipps and Merisotis (2005) conducted a literature review for the Institute of Higher Education Policy examining outsourcing within the larger context of funding alternatives for higher education. Their research found that a majority of privatization literature has been written since 2000. They cited Goldstein et al. (1993) and Rush et al. (1995) as providing foundational information and expressed the need for further research on privatization in higher education. The researchers noted a challenge for their work and other researchers, "One of the difficulties of exploring this issue is that the term 'outsourcing' is controversial both within higher education and in the business sector" (Phipps & Merisotis, 2005, p. 1).

Vedder et al. (2010) conducted a literature review for The Center for College Affordability and Productivity (CCAP), which advocated the privatization of traditional and non-traditional services in order for universities to focus on the core mission of education. They advised that privatization of any service could be done more cost effectively, provide improved customer service, and generate a profitable return to the institution.

The American Association of College Registrars and Admissions Officers (AACRAO) Outsourcing Task Force conducted the study Outsourcing in Higher Education, which identified the pros and cons of privatization decisions in various university services (Braz et al., 2001).

The report broadly outlined steps in an outsourcing decision process, such as the identification of stakeholders, privacy concerns, and elements of a successful privatized contract, but they cautioned, “Outsourcing is not a panacea. There are legitimate issues which must be carefully considered. But to totally ignore the outsourcing option as a method of providing required services is unreasonable” (Braz et al., 2001, p. 5).

Bushman and Dean (2005) identified the challenges and opportunities of outsourcing decisions of non-academic functions. Citing bookstore and food services as the most commonly privatized operations, they concluded, “Outsourcing is a low-risk effective response to rising college costs” and “Colleges and universities stand to reap significant cost savings over a relatively short period of time” (p. 17).

Post Privatization

After a decision has been made to privatize operations, the responsibilities of the contractor and university are outlined in a contract. Both parties may experience varying levels of satisfaction with the contracted relationship. When the contracted relationship is favorable to both parties, a collaborative partnership begins that furthers the goals of the university and provides a favorable profit for the contractor. Difficulties may arise with the contracted relationship, and the respective parties may seek a variety of remedies that are frequently stipulated in the contract. Several studies have examined satisfaction with a contracted relationship from various perspectives, including employees working for a contractor, customers, and the university.

Dillon (1996) studied the impact of food service privatization on hourly and management employees at three institutions: University of Texas at San Antonio, University of Chicago, and Georgia Institute of Technology, following an outsourcing decision. Among his findings were that hourly employees reported improvements in the physical work environment but were dissatisfied with the contractor's training, advancement programs, and layoffs during break periods (Dillon, 1996). Oguntimein (2011) examined living wages for campus workers, including those employed in retail dining operations, and found that several universities seeking to outsource these operations included contract provisions for living or parity wages.

Several researchers investigated customer and institution satisfaction with contract service providers through an examination of current literature, industry information, and university-specific studies. Zeilenga (1994) reviewed 170 four-year public universities with privatized bookstore operations and found that contracted bookstores had higher customer satisfaction levels, noting broader selection of merchandise and higher prices. Milstone (2005) conducted a qualitative study at a private liberal arts institution to "…examine the relationship between outsourcing and perceptions of campus climate" (p. iv). While his research was limited to a single institution, Milstone's findings provided a connection between various theories and frameworks:

- Climate is heavily influenced by the quality of performance of campus services;
- Students and administrators evaluate outsourced services more critically than insourced services;
- Climate is more likely to be affected by Food Services than by Health Services;
- Employees of outsourced companies (EOCs') level of campus involvement (outside their functional area) does not affect campus climate uniformly within and across outsourced groups;

- Students, administrators, and EOC's acknowledge that motivated employees will perform better service, but institutional support for employees of outsourced companies is differentiated.
- Students, administrators, and EOCs consistently placed the highest value on meeting students' basic administrative-service needs regarding outsourcing (administrative interpretive framework) and placed a strong secondary value on meeting students' educational and programmatic needs (developmental interpretive framework). (pp. 163-164)

Glickman et al. (2007) conducted a case study of dining service outsourcing at George Washington University, and found that the contract services provider, Aramark, had operational and strategic blunders that resulted in negative perceptions by students, parents, and university administrators. Aramark's strained relationship with union employees, failure to connect with student wants and needs, centralized service delivery model, high staff turnover, and poor service quality led to a mutual dissolution of the contracted service agreement with George Washington University barely two years into the contract (Glickman et al., 2007). Gramling et al. (2005) undertook a qualitative study of university dining operations at Coker College from two perspectives: student life and operational efficiency. They found that food quality, variety, customer service, and management relations with students were the primary reasons student diners sought alternative options (Gramling et al., 2005).

A variety of financial-based studies were undertaken by researchers utilizing standard financial analysis techniques, frameworks developed by other researchers, and survey instruments. Gilbert (1998) surveyed 49 public, higher education institutions that privatized both bookstore and dining operations. She examined the relationship between expected and actual financial results following a privatization decision. Using a case study method to conduct a significant financial analysis of two respondents, she concluded that the privatization decision had significant impact on revenue generation and increased non-mandatory transfers, but that only one institution realized financial improvement. Pittman (2003) evaluated the privatization versus self-operation decision process utilizing the frameworks created by Goldstein et al. (1993). Among his findings were that factors impacting the privatization decision included an inconsistent use of decision models, a varying degree of acceptance towards privatization, an absence of uniformly evaluated financial implications, a lack of concern for people, and a great significance of politics (Pittman, 2003). Gupta et al. (2005) surveyed 138 presidents/vice-presidents at public and private universities in Maryland, North Carolina, and Virginia by email to discover the level of implementation and satisfaction with their privatization decisions. The findings identified financial, budgetary, service quality, and external pressures as driving forces for the privatization decision (Gupta et al., 2005).

Auxiliary Services may be combined with other operations to improve financial sufficiency or reduce dependence on the general fund for support of these units. Johnson (2011) explored the self-sufficiency of athletics at 460 public institutions, he utilized three Carnegie Classifications based upon NCAA divisions, conferences, and athletic financial ranking along with the financial classification of athletics within the university. During the study period of 2005-2008, 75% of the institutions that included athletics within auxiliary enterprises reported net operating losses and 59% of auxiliary enterprises without athletics included reported net operating losses in at least one of the three-year period of study (Johnson, 2011, p. 100). Johnson concluded that the inclusion of athletic operations in auxiliary enterprises contributed to greater net operating losses than auxiliary enterprises that did not include athletics. The result of athletics losses was more frequent operating losses, which reduced reserves and placed an added burden on strained university budgets.

Privatization of university services has many aspects and each research study has advanced the body of knowledge. The unique contributions of the researchers have provided an important foundation for my research in addition to identifying gaps in the scholarship and the need for further exploration.

Summary of Literature Review

Privatization is the shifting of operation and oversight of services to an outside, for-profit provider. Brown and Wilson (2005) further defined privatization or outsourcing:

> Outsourcing is a strategy for using external resources. Specifically, it is designed to optimize the expertise of others, avoid unnecessary development of internal capability and capacity, and allows organizations to deploy its resources on the functions best done internally. (p. 545)

The privatization of governmental services has been present since the Pony Express and has only gained momentum throughout the various levels of government. The trend expanded to higher education in response to declining state appropriations, legislative pressure for increased efficiency, and the need for universities to refocus on their primary education mission. Any service within a university may be privatized, but the control, reputation, and contract management must remain under the direction of a university.

This review of literature found a significant amount of information regarding university privatization broadly categorized as post-privatization announcements, external contractor service reviews, and trends in university service privatization. Scholarly research by Zeilenga (1994) examined satisfaction following a privatization decision, Gilbert (1998) conducted a case study on expected versus actual financial results following privatization of bookstore and dining services operations, and Pittman (2003) employed the Goldstein et al.'s framework and found an inconsistent use of the models. Studies that examined the privatization evaluation process and provided important foundational material were Goldstein et al.'s (1993) *Contract Management or Self-Operation* and Wertz's (2000) *Issues and Concerns in the Privatization and Outsourcing of Campus Services in Higher Education*.

All studies indicated a need for additional research on the various aspects of privatization decisions. While some studies provide a tool or process for evaluating a privatization decision, none addressed the diverse internal and external aspects. Furthermore, no study or article examined a post-privatization decision from the administrator's perspective to see whether the decision met pre-privatization goals. My research examined the satisfaction of a post-privatization decision at selected four-year public universities.

In Chapter III, I detail the research methods for the study.

CHAPTER III

RESEARCH DESIGN

My study was designed to examine the various influences that triggered the undertaking of a privatization decision, relationships between privatization decisions for bookstore and dining services operations, the extent a privatization decision met pre-privatization goals, and the overall satisfaction with the privatization decision at public four-year universities.

A quantitative approach was selected to explore postpositivist knowledge claims by researchers on this topic, including those of Goldstein et al. (1993), Phipps and Merisotis (2005), and Wertz (1995, 2000). The quantitative approach typically utilizes closed-ended questions that permit the application of measures and specific tests to known key variables (Creswell, 2009; Patten, 2005). I created a web-based, self-administered survey with the Qualtrics tool specifically for this nonexperimental research purpose (Patten, 2005). A cross-sectional design was selected to obtain information and insight regarding the management considerations of a decision to privatize bookstore and dining services operations at selected, public four-year universities (Fink, 2006).

Population and Sample

Established in 1962, the National Association of College Auxiliary Services (NACAS) was founded to serve university business officers as a resource for legislative information, best practices collaboration, research for higher education financial management, and to provide a central point of contact for member universities (NACAS, n.d.). As the population for my study, NACAS institutional members are primarily director and senior level executive officers with responsibility over business affairs, auxiliary, and student support operations within their institution. The organization also accepts memberships from companies and closely-linked partners.

My sample consisted of NACAS's approximately 300 members from public, four-year universities located in the United States (NACAS, n.d.). A link to the web-based survey was included in a listserv post that requested administrators who manage or oversee contracted services at a four-year public university located in the United States to complete the survey. Members who responded affirmatively to the initial screening questions regarding their university type and geographic location were directed to continue with the survey regarding privatization of bookstore and dining services operations. Respondents who did not meet screening question constraints were routed out of the survey and received a thank you message.

Measures and Validity

With this study, I controlled threats to internal and external validity through the use of proper research techniques and application of appropriate statistical tests (Creswell, 2009; Fink, 2006; Ruxton & Beauchamp, 2008). For the purpose of this study, I made the following assumptions:

1. The membership data of the National Association of College Auxiliary Services (NACAS) will be accurate and reliable.

2. The survey instrument will accurately collect the respondent's perceptions regarding the institution's pre- and post-privatization goals for both bookstore and dining services operations.

3. The university respondent will provide accurate answers to the survey questions. Analysis of the responses will reflect the respondent's perceptions regarding the university's pre-and post-privatization results.

The survey instrument was developed to gather university administrator perceptions regarding pre-privatization goals, post-privatization goal attainment, and overall satisfaction with the privatization decision. Construction of the instrument included a review of past surveys conducted by Gilbert (1998), Pittman (2003), and Zeilenga (1994). Because each researcher approached their work from a unique perspective, none of their survey items were used in the construction of my survey instrument. See Appendix C for the survey developed and used in this research.

My survey design allowed for the collection of several types of data. Categorical or nominal data was gathered to identify the type of institution, geographic location, number of full-time students, and specific privatized services (Creswell, 2009; Patten 2005). This data was used primarily for classification purposes as it does not permit rigorous statistical tests (Halfens & Meijers, 2013). The most common statistical test for nominal data is chi squared (χ^2), which is calculated by comparing the differences between observed frequencies to expected frequencies (Fisher & Marshall, 2008; Halfens & Meijers, 2013). Measurements of central tendency for nominal data consists of the mean, median, and mode, and presentation of nominal data is typically in a contingency table format (Fisher & Marshall, 2008).

Descriptive data identified the size of the institution by number of students and length of privatization contract and renewal periods (Creswell, 2009; Fink, 2006). Likert scale items were used to obtain interval data for privatization decision factors, satisfaction measures, and the extent privatization goals were met (Allen & Seaman, 2007; Carifio & Perla, 2007; Norman, 2010). The Likert scale items were structured to capture the level of satisfaction or dissatisfaction (Boone & Boone, 2012; Carifio & Perla, 2007). Scaling of the Likert-Type items developed to gauge the respondent’s perception of the contractor’s performance was as follows:

(1) do not know; (2) did not meet any expectations; (3) met some but not all expectations; (4) generally met expectations; (5) exceeded expectations; and (6) greatly exceeded expectations.

My survey was piloted by three auxiliary services professionals who provided constructive feedback to pre-test survey content and flow. Evaluation of results from the pilot test improved content validity in several ways; clearly worded questions produced precise answers, a well-structured format allowed participants to navigate through the survey, and response options logically connected survey questions (Fink, 2006). The final survey consisted of 20 questions designed to reduce participant fatigue. Survey questions specifically addressed the research questions and a cross-walk table linked survey and research questions with a specific statistical test (see Table 4 later in this chapter). Finally, the survey was available for a finite period of time.

Approval Process

Data collection did not begin until my research proposal had been approved by the HSIRB Committee at Western Michigan University. In addition, NACAS required a copy of the approval in order to promote the survey to the members.

Data Collection Procedures

A member’s lounge listserv post was sent to NACAS institutional members inviting their participation in the research project (See Appendix A and B). This post contained the HSIRB approved language and requested consent prior to participation in the web-based survey. The Qualtrics tool provided a real-time summary of responses.

Two follow-up posts to the listserv requesting participation occurred seven days following the original post and again at 14 days following the original post. After each reminder post, responses increased.

My research adhered to high ethical standards including strict data security and anonymity of respondents. No personally identifiable information was requested from respondents. A statement of confidentiality was included as part of the consent form. Survey responses were maintained in my academic Qualtrics account.

Data Analysis Procedures

Data analysis was a comprehensive process where I obtained the raw survey data from Qualtrics and applied known statistical tests to generalize findings from my sample to the population of interest. The Qualtrics survey program allowed for extraction of responses in a variety of formats, and I utilized the Minitab program for data analysis. A working copy of data and all other research materials was stored in a password protected Dropbox account.

The survey consisted of three sections through which the respondent was automatically navigated by the Qualtrics program based upon their response. Once the respondent answered affirmatively to screening question regarding their type of institution, they were routed through the remainder of the categorization questions including geographic location and number of full-time equivalent (FTE) students. Survey question one asked the respondent to indicate if their institution was a public four-year college or university. If they answered in the affirmative, they were then routed to the next question in the survey. Any other answer routed them to the thank you message page at the end of the survey. Survey question two requested categorical data regarding the geographic location of the university. Results were grouped into NACAS member regions to make further analysis more meaningful. Survey question three sought the current number of full-time equivalent students at the respondent’s institution. Survey question four requested the respondent to indicate the management status of all services provided at the institution. Survey question five specifically queried the management status of the bookstore operation. Respondents who selected currently self-operated, never provided by a contractor, or currently self-operated, previously provided by a contractor were routed to question 12, which sought the same information regarding the dining services operation. Respondents who indicated the bookstore operation was currently provided by a contractor, never self-operated or currently provided by a contractor, previously self-operated were routed through additional questions related to the factors and satisfaction with the privatization decision.

The analysis for survey question one, two, and three included frequency tables containing institutional size, regional geographic location, and type of management by the specific service areas (Fink, 2006; Halfens & Meijers, 2013; Patten, 2005).

Cronbach's Alpha

The second section of the survey sought information specific to the bookstore contractor including the length of time the bookstore had been operated by all contractors, contract renewal term, to what extent items were a factor for the privatization decision at the institution, whether the contracted relationship met the university's expectations for performance in specific areas, overall expectation level of bookstore contractor performance, and what decision would be made if the initial decision to contract would occur again. Cronbach's alpha (α) was used to assess internal consistency or reliability of variables with Likert scale questions (Griffith, 2015). Consistency values ranging from 0.00 indicating no reliability to 1.00 indicating high reliability were employed (Creswell, 2009). The researcher selected a reliability coefficient minimum level of (α =.75) which is slightly above the level of (α =.70) considered an acceptable measure of correlation within social sciences research (Creswell, 2009). Analysis was conducted using Minitab.

The four survey questions were constructed to measure factors impacting the privatization decision of bookstore and dining operations and expectations of performance factors of the bookstore and dining services contractor. The questions utilized a Likert scale with a high level of internal consistency or reliability as indicated by Cronbach's alpha (See Table 1 and Table 2).

For example, Cronbach's alpha (α = 0.8375) for survey questions eight "*To what extent were these items a factor in the Bookstore privatization decision at your institution,*" indicates a high level of internal consistency as this exceeds the (α = 0.7500) level set by the researcher. Table 1 summarizes individual results for each question below.

Table 1: *Frequencies and Cronbach's Alpha*

Survey Question	*n*	α
8. To what extent were these items a factor in the Bookstore privatization decision at your institution	56	0.8375
9. Please indicate whether the Bookstore contracted relationship has met the university's expectations for performance in the following area	53	0.8434
16. To what extent were these items a factor in the Dining Services privatization decision at your institution	54	0.7926
17. To what extent were these items a factor in the Dining Services privatization decision at your institution	54	0.7926

In Table 2, responses to survey questions eight "*To what extent were these items a factor in the Bookstore privatization decision at your institution,*" were collapsed into the five identified factors in Gordon's (2019) Privatization Decision Framework. Cronbach's alpha was run and the results were human resources (α = 0.8114), institutional financial (α = 0.8307), quality and service (α = 0.8275), internal administration (α = 0.7904), and external political (α = 0.9252). All categories exceed the (α = 0.7500) level set by the researcher.

Table 2

Cronbach's Alpha for Gordon's Privatization Framework: Bookstore

Gordon's (2019) Privatization Decision Framework – Categories	*n*	α
Human Resources	120	0.8114
Institutional Financial	120	0.8307
Quality and Service	120	0.8275
Internal Administration	120	0.7904
External Political	120	0.9252

In Table 3, survey question 16 "*To what extent were these items a factor in the Dining Services privatization decision at your institution*" was collapsed into Gordon's Privatization Framework of five factors. The researcher ran Cronbach's alpha and the results were human resources (α = 0.9287), institutional financial (α = 0.9347), quality & service (α = 0.9477), internal administration (α = 0.9313), and external political (α = 0.9746). All categories exceed the (α = 0.7500) level set by the researcher.

Table 3

Cronbach's Alpha for Gordon's Privatization Framework: Dining Services

Gordon's (2019) Privatization Decision Framework – Categories	*n*	α
Human Resources	51	0.9287
Institutional Financial	51	0.9347
Quality and Service	51	0.9477
Internal Administration	51	0.9313
External Political	51	0.9746

Question 12 was an open text question allowing the respondent to share any thoughts regarding the overall experience with the institution's contracted bookstore relationship. Several Likert scale questions probed the extent items factored into the privatization decision, to what degree the contractor met expectations, levels of satisfaction with the privatization decision, and if the initial decision to contract would be the same or different based upon the institution's experience with the contractor (Norman, 2010).

The third portion of the survey investigated the dining services contractor with the same Likert scale questions used regarding the bookstore contractor. Data was analyzed to determine if correlation existed between groups (McCrum-Gardner, 2007; Patten, 2005).

Research Question 1

To what extent have four-year public universities privatized bookstore and dining services operations?

This research question was designed to investigate the two specific areas of interest, bookstore and dining services operations. Survey question five specifically sought the management status of the bookstore operation, and survey question 13 requested the management status of the dining services operation. Survey question six requested the length of time the bookstore had been operated by all contractors, and survey question 14 sought the same information regarding the dining services operation. Survey question seven queried respondents regarding the contract renewal term for the bookstore operation as initial or renewed, and survey question 15 queried the same information for the dining services operation.

Descriptive statistical tests were used to summarize data collected, including frequencies, measures of central tendency, and measures of variability (Creswell, 2009). The data was presented in table and chart format which allowed the reader several options for comprehension.

Research Question 2

To what extent do the following factors drive privatization decisions within a four-year public university: (a) human resources; (b) institutional financial; (c) quality and service; (d) internal administration; and (e) external political?

This research question was tied to the five factors identified in Gordon's (2019) Privatization Decision Framework. Survey question eight utilized a Likert scale for the respondent to indicate to what extent items were a factor in the decision to privatize the bookstore, and survey question 16 utilized the same items and Likert scale for the respondent to indicate to what extent items were a factor in the decision to privatize the dining services. Descriptive statistics were used to analyze the extent that the listed items were factors in the decision to privatize bookstore and dining operations.

Research Question 3

What perceived outcomes have occurred as a result of privatization, and to what extent overall are such privatization efforts viewed as successful or unsuccessful?

Survey question nine queried respondents about whether the bookstore contracted relationship met the university's expectation of performance in specific areas, and survey question 17 queried respondents about whether the dining services contracted relationship met the university's expectation of performance in specific areas. Questions 10 and 18 probed the overall satisfaction level with the performance of the bookstore and dining services contractors respectively. With regard to the institution's experience and satisfaction with the bookstore contractor, survey question 11 examined whether the respondent's decision to contract would be the same again. Similarly, survey question 19 sought the post-contract decision with the dining services contractor. Descriptive statistics were used to present the mean, median, and mode for these responses. In addition, contingency tables were used to present a comparison of two variables.

Research Question 4

To what extent do these factors and outcomes vary depending upon type of services being privatized?

Survey question eight sought the extent to which these items influenced the university's decision to privatize the bookstore operation, and survey question 16 sought the extent these items influenced in the university's decision to privatize the dining services operation. Data from these questions had the appropriate statistical tests applied to determine whether the distribution of the data varied (Fisher & Marshall, 2008). Survey question nine inquired about the extent the bookstore contractor met performance expectations in specific areas, and survey question 17 queried the extent that the dining contractor met performance expectations in specific subcategories of the five factors identified in Gordon's (2019) Privatization Decision Framework. Chi-square was applied to the ordinal data to test differences between dining services and bookstore privatization performance expectations in these areas (Fisher & Marshall, 2008).

Research Question 5

To what extent is there a relationship between the perceived factors that drove the decision to privatize and the perceived outcomes?

Regression analysis was applied to the results of survey question eight, which identified the reasons a bookstore contractor was sought, and survey question 16, which identified the reasons a dining services contactor was sought. Regression analysis was also applied to the results of survey question nine and 17 where respondents indicated the extent to which bookstore and dining services providers met performance expectations. Descriptive statistics allowed the researcher to examine patterns in the data found in survey question nine, question 10, and question 11 for the bookstore contractor and survey question 17, question 18, and question 19 for the dining services contractor.

Research Question 6

For those who had contracted bookstore and dining services, what was their overall experience with the institution's contracted relationship?

Open-ended questions allowed the respondents the opportunity to share additional specific information that may not have been revealed through the survey questions (Creswell, 2009). Two open-ended questions were included to obtain the respondent's reflections of the overall experience with the bookstore contracted relationship in survey question 12 and the dining services contracted relationship in survey question 20. Table 4 summarizes my research questions, survey questions, and data analyses.

Table 4

Research and Survey Question Cross-Walk to Statistical Test

Research Question	Survey Question Number(s)	Statistical Test
1. To what extent have four-year public universities privatized bookstore and dining services operations?	5 - 7; 13 - 15	Descriptive statistics
2. To what extent do the following factors drive privatization decisions within a four-year public university: (a) budget/financial; (b) human resource-related; (c) customer service expectations; (d) internal and external political influences; and (e) internal administration?	8 - 9; 16 - 17	Descriptive statistics
3. What perceived outcomes have occurred as a result of privatization and to what extent overall are such privatization efforts viewed as successful or unsuccessful?	9 - 11; 17 - 19	Descriptive statistics
4. To what extent do these factors and outcomes vary depending upon type of services being privatized?	8 - 9; 16 - 17	Chi-square
5. To what extent is there a relationship between the perceived factors that drove the decision to privatize and the perceived outcomes?	8; 16	Regression
6. For those who had contracted bookstore and dining services, what was their overall experience with the institution's contracted relationship?	12, 20	Open-ended responses categorized

Limitations and Delimitations of Study

The following are acknowledged limitations and delimitations of my study:

1. University members may not have completed the survey.
2. Information obtained may not be generalizable beyond the institutions studied.

Summary of Research Methods

A web-based survey instrument was posted on the NACAS member lounge listserv area, which is only accessible to members. The survey instrument was developed utilizing Qualtrics and consisted of closed-ended, open-ended, and Likert scale questions that were designed to determine the factors for initiating a privatization decision in bookstore and dining services operations and satisfaction with a post-privatization decision. Reminders were sent at several intervals to increase the number of survey participants. Survey results were safeguarded and Minitab was used for data analysis.

CHAPTER IV

RESULTS

This chapter will provide a brief problem statement and review of the purpose of the study as well as presentation of the survey questions, research questions, and results from the survey instrument.

Statement of the Problem

University administrators who oversee auxiliary operations have a fiduciary responsibility to manage resources in an efficient, cost-effective manner while providing high-quality products and outstanding customer service that meets the needs of faculty, staff, and visitors. These functions are expected to cover operating costs in addition to contributing funds for strategic discretionary uses such as scholarships, student support programs, investment in facilities construction/renovation, and safety and security. Public higher education funding has changed dramatically, resulting in university leadership examining the option to outsource non-educational operations in return for contractually-obligated payments by contracted service providers. Research exists that evaluates contract service providers and the implementation of a privatization decision; however, no research to date examines the factors that entered into a privatization decision itself and whether post-privatization results met pre-privatization expectations. This study sought to contribute to the existing body of research investigating bookstore and dining operation privatization in public, four-year universities in the United States.

Purpose of the Study

The purpose of this exploratory quantitative study was to investigate the specific factors considered by executives at public, four-year universities in the United States as they approached a decision to privatize bookstore and/or dining service operations and their perceptions whether the post-privatization decision met pre-privatization expectations. Gordon's (2019) Privatization Decision Framework was used to develop a survey questions that answered the research questions.

Member Demographic Data

An invitation was posted in the Member's Lounge listserv of the National Associate of College Auxiliary Services (NACAS) inviting administrators at four-year public universities in the United States to participate in a Qualtrics web-based survey. Membership was required to access the listserv and thus my population sample consisted of the 311 active institutional members of public, four-year universities located within the United States. The survey followed the NACAS convention of grouping institutions by state into four geographic regions: Central, East, Atlantic, and West.

Total recorded responses to the survey invitation were 200. Thirteen of these responses were classified as "Responses in Progress/Missing Data," and because less than 50% of the questions were completed the data was omitted in the results of the study. The total number of responses after removing the incomplete 13 was 187 (of the 311 total members), which resulted in a 60.1% overall response rate. This favorable rate was attributed to the active use of the NACAS member's lounge listserv, reminder posts, and interest by NACAS membership in the research topic. The researcher noted receipt of seven personal email requests to receive post-study results, and which expressed interest in attending a future conference presentation of the research results.

Two screening classification survey questions were presented to remove respondents who did not meet the study criterion: public four-year university with their primary location in the United States. Total responses to "*Is your institution a public four-year university?*" were 187, with 148 (79.1%) responding “yes” and 39 (20.9%) responding “no.” Respondents who answered affirmatively were routed to the second screening question, and respondents who answered negatively were routed to the thank you screen at the end of the survey.

The second screening question “*Which region is your primary campus location?*” displayed five options to respondents: (a) Central; (b) East; (c) South; (d) West; and (e) Primary location not in United States. Total responses to this question were 143, with three respondents who selected their primary location was not in United States and thus were routed out of the survey. The total responses for respondents with a primary location in the United States was 140. Response rates by regional membership were Central (25.0%), East Atlantic (25.0%), South Atlantic (32.1%), and West (17.9%).

Table 5 identifies the states in each of the NACAS region, the number of NACAS public, four-year university members in the United States by region, percentage of membership by NACAS region, and the survey response rate by region. My sample percentages are quite close to the member percentages when broken down by region.

Table 5

NACAS Public Four-Year University Members by Region and Respondents by Region

NACAS region	*N*	Members (%)	*n*	Response (%)
Central (includes: Indiana, Illinois, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin)	68	(21.9)	35	(25.0)
East Atlantic (includes: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, Vermont, Washington, D.C., West Virginia)	78	(25.1)	35	(25.0)
South Atlantic (includes: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas)	107	(34.4)	45	(32.1)
West (includes: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming)	58	(18.6)	25	(17.9)
Total	311	(100.0)	140	(100.0)

Institutions were asked to provide the number of students who attend their institution expressed in full-time equivalents (FTEs). Table 6 shows that the means of FTEs by region rounded to nearest whole number were: Central (*M* = 22,663, *SD* = 14,764); East (*M* = 13,676, *SD* = 10,330); South (*M* = 21,976, *SD* = 19,192); and West (*M* = 19,754, *SD* = 16,843). The mean FTEs for all institutions located in the United States was (*M* = 19,642, *SD* = 16,211). The largest group of FTE ranges was 0 – 9,999 (*n* = 47).   A breakdown of FTE totals by enrollment range is found in Table 6.

Table 6

Regional Full-Time Equivalents (FTEs)

		FTEs	
Region	*n*	*M*	*SD*
Central	35	22,663	14,764
East	35	13,676	10,330
South	45	21,976	19,192
West	25	19,754	16,843
Total	140	19,942	16,211

Note. Not all respondents indicated FTEs

Responses to the number of FTEs were grouped into ranges of 10,000 from 0 – 9,999 to 99,999 – 110,000. The breakdown of student FTE enrollment by region is illustrated in Figure 2.

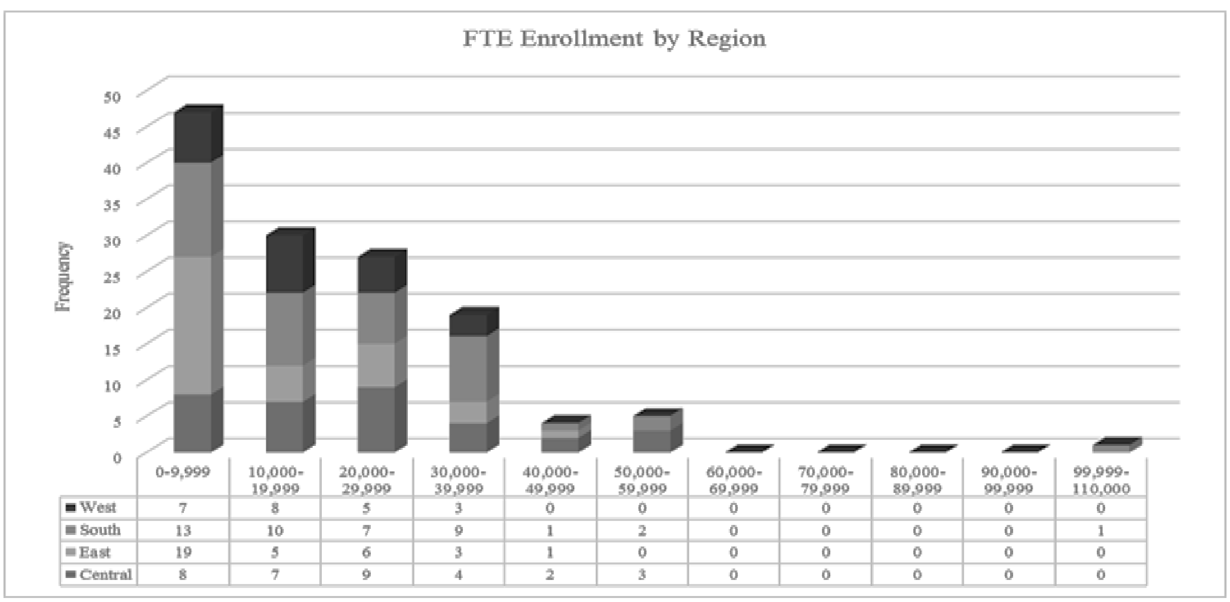

Figure 2. Respondent institution enrollment by full-time equivalents (FTE).

The largest group of FTE ranges was 0 – 9,999 (n = 47). A breakdown of FTE totals by enrollment range is found in Table 7.

Table 7

FTEs by Enrollment Range

Enrollment Range	*n*	*M*	*SD*
0 – 9,999	47	11.75	4.76
10,000 – 19,999	30	7.50	1.80
20,000 – 29,999	27	6.75	1.48
30,000 – 39,999	19	4.75	2.49
40,000 – 49,999	4	1.00	0.71
50,000 – 59,999	5	1.25	1.30
60,000 – 69,999	0	0.00	0.00
70,000 – 79,999	0	0.00	0.00
80,000 – 89,999	0	0.00	0.00
90,000 – 99,999	0	0.00	0.00
100,000 -110,000	1	0.25	0.43
Total	133	3.02	1.39

Note. Not all respondents indicated FTE

Respondents were asked to choose from four categories of management for 11 distinct university operations; these excluded bookstore and dining services at their institutions because those questions occurred later in the survey. An "other" question was included to allow respondents to indicate any services that were not previously listed.

The top three responses to the "*Currently provided by a contractor, never self-operated*" management question were Vending Operations (*n* = 77), Laundry (*n* = 47), and Power Generation/Water Delivery (*n* = 24). "*Currently provided by a contractor, previously self-operated*" top three responses were in the operational areas of Printing and Copying (*n* = 32), Vending (*n* = 28), and Laundry (*n* = 25). The top three responses to "*Currently self-operated, never provided by a contractor*" by operation were: Security/Police (*n* = 118), Fitness Center (*n* = 115), and Housing (*n* = 106). "*Currently self-operated, previously provided by a contractor*" found the three most prevalent answers in the operational areas of Custodial/Housekeeping

Services (n = 9), Housing (n = 7), and a three-way tie between Parking and Transportation Services (n = 4), Grounds Maintenance (n = 4), and other (n = 4). Table 8 lists the frequency of responses by management status and percentage by operation.

Table 8

Management Status of Services at Institution

	Frequency (Percent by Operation)				
Operational Area	Currently provided by a contractor, never self-operated	Currently provided by a contractor, previously self-operated	Currently self-operated, never provided by a contractor	Currently self-operated, previously provided by a contractor	n
Custodial/Housekeeping Services	9 (7.63)	11 (9.32)	89 (75.42)	9 (7.63)	118
Fitness Center	2 (1.67)	2 (1.67)	115 (95.83)	1 (0.83)	120
Grounds Maintenance	4 (3.36)	14 (11.75)	97 (81.51)	4 (3.36)	119
Housing	2 (1.67)	5 (4.17)	106 (88.33)	7 (5.83)	120
Laundry	47 (39.83)	25 (21.19)	44 (37.29)	2 (1.69)	118
Mail and Shipping Services	6 (5.00)	8 (6.67)	105 (87.50)	1 (0.83)	120
Parking and Transportation Services	4 (3.33)	8 (6.67)	104 (86.67)	4 (3.33)	120
Power Generation/Water Delivery	24 (22.22)	6 (5.56)	77 (71.30)	1 (0.93)	108
Printing/Copying Services	9 (7.56)	32 (26.89)	75 (63.03)	3 (2.52)	119
Security/Police	0 (0.0)	1 (0.83)	118 (97.52)	2 (1.65)	121
Vending	77 (63.64)	28 (23.14)	14 (11.57)	2 (1.65)	121
Other: Arena Management, Golf Course, Hotel, Store	18 (27.69)	20 (30.77)	23 (35.38)	4 (6.15)	65

Research Question 1

Let me now turn to presenting the data to address each of my research questions. Research question 1 sought to answer, "*To what extent have four-year public universities privatized bookstore and dining services operations?*" Survey question five asked respondents to select the management status of the bookstore operation, survey question six requested the length of time the bookstore had been operated by all contractors, and survey question seven sought the bookstore contract renewal term. Similarly, survey question 13 sought the management status of the dining services operation, survey question 14 asked the length of time the dining services operation had been operated by all contractors, and survey question 15 requested the dining services contract renewal term.

Responses to the management status of bookstore and dining services operations are summarized in Table 9. The largest management type for the bookstore was "*Currently provided by a contractor, previously self-operated*" (*n* = 47) and for dining services was "*Currently provided by a contractor, never self-operated*" (*n* = 39).

Table 9

Bookstore and Dining Services Management Type and Applicable Contract Term

Management Type	Term	Bookstore *n*	Bookstore Percent	Dining Services *n*	Dining Services Percent
Currently provided by a contractor, never self-operated	Initial term	10	(7.1)	10	(7.1)
	Renewed term	20	(14.4)	27	(19.3)
	Unspecified term	2	(1.4)	2	(1.5)
	Total	32	(22.9)	39	(27.9)
Currently operated by a contractor, previously self-operated	Initial term	13	(9.3)	4	(2.9)
	Renewed term	31	(22.1)	26	(18.6)
	Unspecified term	3	(2.1)	1	(0.7)
	Total	47	(33.5)	31	(22.2)
Currently self-operated, previously contracted		0	(0.0)	5	(3.6)
Currently self-operated, never provided by a contractor		43	(30.7)	21	(15.0)
Missing		18	(12.9)	44	(31.3)
Total		140	(100.0)	140	(100.0)

Overall, bookstore responses fell into three of the four management type categories, "*Currently provided by a contractor, never self-operated*" (22.9%); "*Currently provided by a contractor, previously self-operated*" (33.5%); "*Currently self-operated, previously contracted*"

(0%); and the management type *"Currently self-operated, never provided by a contractor"* (30.7%); see Figure 3. In addition, missing items were noted (12.9%).

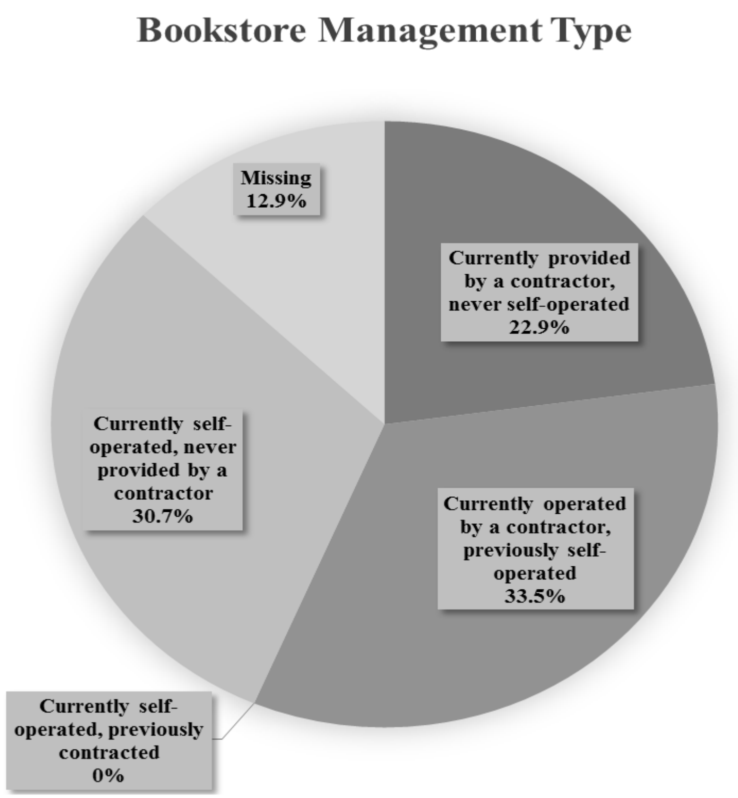

Figure 3. Bookstore management type.

For Dining Services, overall responses occurred in all four management type categories, "*Currently self-operated, never provided by a contractor"* (27.9%); *"Currently provided by a contractor, previously self-operated"* (22.2%); "*Currently self-operated, previously contracted*" (3.6%); and *"Currently provided by a contractor, never self-operated"* (15.0%); see Figure 4. In addition, missing items were noted (31.4%). This suggests that the extent university respondents have contracted the dining services operations is higher than non-contracted operations.

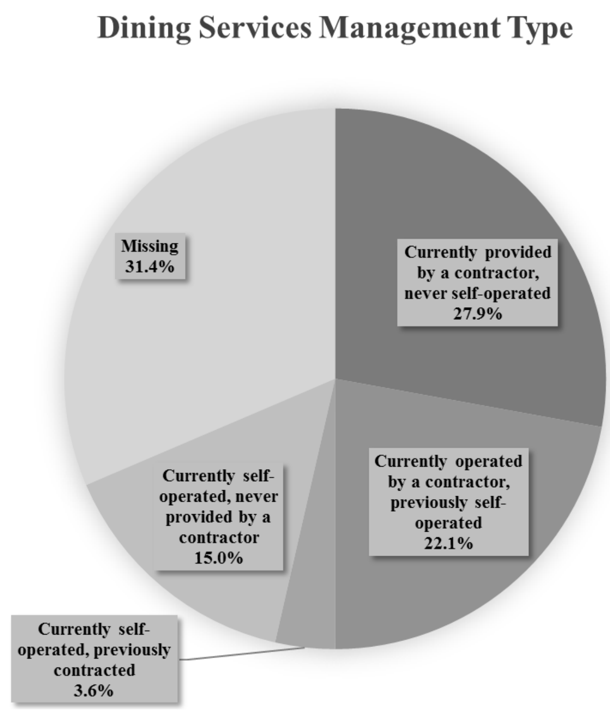

Figure 4. Dining services management type.

Respondents were probed to indicate the length of time the bookstore and dining services had been operated by all contracted management types, the renewal period of the contract, and the number of years of their contract (see Table 10). The bookstore operation management type, "*Currently provided by a contractor, never self-operated,*" contract periods ranged from an initial contract term (n = 10), renewal term (n = 20), to an unspecified term (n = 2). The dining services contract periods ranged from an initial contract term (n = 10), renewal term (n = 27), to an unspecified term (n = 2).

The responses to "*Currently provided by a contractor, previously self-operated,*" found the bookstore initial contract term (n = 13), renewal term (n = 31), and the unspecified term (n = 3). In the dining services operation, respondents indicated the initial contract term (n = 4), renewal term (n = 26), and the unspecified term (n = 1). This suggests that the extent university respondents have contracted the dining services operations is higher than non-contracted operations.

Responses indicated both bookstore and dining services contracted operations that were "*Currently provided by a contractor, never self-operated,*" had longer average contract periods for both the initial and renewal terms.

Table 10

Contract Periods by Management Type and Operational Area

		Bookstore			Dining Services		
Management Type	Contract Term	*n*	Percent	Average contract years	*n*	Percent	Average contract years
Currently provided by a contractor, never self-operated	Initial term	10	(31.3)	27	10	(25.6)	29
	Renewed term	20	(62.5)	28	27	(69.2)	30
	Unspecified term	2	(6.2)	40	2	(5.2)	0
	Total	32	(100.0)		39	(100.0)	
Currently provided by a contractor, previously self-operated	Initial term	13	(27.7)	7	4	(12.9)	20
	Renewed term	31	(66.0)	15	26	(83.9)	20
	Unspecified term	3	(6.3)	8	1	(3.2)	0
	Total	47	(100.0)		31	(100.0)	

Research Question 2

Research Question 2, "*To what extent do the following factors drive privatization decisions within a four-year public university: (a) human resources; (b) institutional financial; (c) quality and service; (d) internal administration; and (e) external political?*" sought to identify relationships in the bookstore and dining services operations. These factors were identified by Gordon (2019) as potential drivers of a privatization decision, and were captured for bookstore and dining services via survey question eight, "*To what extent were these items a factor in the Bookstore privatization decision at your institution*" and for dining services via question 16, "*To what extent were these items a factor in the Dining Services privatization decision at your institution*" (see Table 11).

These survey questions each contained the following 12 variables as broken down into four framework categories: *Human Resources* including: (a) human resources/staffing issues; (b) management specialization/expertise; (c) marketing/social media expertise; (d) project management experience; *Institutional Financial* including: (e) external capital for renovation or facilities; (f) inventory costs carried by contractor; *Quality and Service* including: (g) customer service/quality improvements; *Internal Administration* including: (h) internal influences to change 'status quo'; (i) past experience with contractor; (j) reputation of contractor; and (k) transfer of risk externally; and *External Political* including: (l) external legislative pressures (see Table 11).

Table 11

Gordon's Privatization Decision Framework - Categories and Survey Question Cross-Walk

Gordon's (2019) Privatization Decision Framework - Categories	Survey questions: To what extent were these items a factor in the privatization decision at your institution:
a) Human Resources	Human resources/staffing issues Management specialization/expertise Marketing/social media expertise Project management experience
b) Institutional Financial	External capital for renovation or facilities construction Inventory costs carried by contractor
c) Quality and Service	Customer service/quality improvements
d) Internal Administration	Internal influences to change "status quo" Past experience with contractor Reputation of contractor Transfer of risk externally
e) External Political	External legislative pressures

Respondents in two self-identified categories, (a) *Currently provided by a contractor, never self-operated* and (b) *Currently provided by a contractor, previously self-operated*, were asked to indicate to what extent the 12 factors influenced their decision to privatize bookstore operations. The "do not know factor" was removed and the five-item Likert scale was recoded with responses: (1) Not a factor; (2) A slight factor; (3) A moderate factor; (4) A major factor; and (5) A very significant factor.

In Table 12, the three responses with the highest mean for "*Currently provided by a contractor, never self-operated*" were management specialization/expertise (*M* = 4.13, *SD* = 1.08), reputation of the contractor (*M* = 4.00, *SD* = 1.09), and inventory costs carried by contractor (*M* = 3.96, *SD* = 1.08). Reduced external legislative pressures had the lowest mean (*M* = 1.60, *SD* = 1.10).

Table 12

Currently Contracted, Never Self-Operated: Bookstore Privatization Decision Factors

		Likert scale [1-5] frequency (percent)						
Item	*n*	[1]	[2]	[3]	[4]	[5]	*M*	*SD*
External capital for renovation or facilities construction	24	3 (12.5)	5 (20.8)	4 (16.7)	6 (25.0)	6 (25.0)	3.29	1.40
Inventory costs carried by contractor	24	1 (4.2)	1 (4.2)	5 (20.8)	8 (33.3)	9 (37.5)	3.96	1.08
Customer service/quality improvements	24	2 (8.3)	0 (0)	5 (20.8)	10 (41.7)	7 (29.2)	3.83	1.13
External legislative pressures	20	14 (70.0)	2 (10.0)	3 (15.0)	0 (0)	1 (5.0)	1.60	1.10
Human resources/staffing issues	22	5 (22.7)	2 (9.1)	7 (31.8)	5 (22.7)	3 (13.6)	2.96	1.36
Internal influences to change "status quo"	17	5 (22.7)	2 (9.1)	7 (31.8)	5 (22.7)	3 (13.6)	2.29	1.65
Management specialization/expertise	24	9 (52.9)	2 (11.8)	1 (5.9)	2 (11.8)	3 (17.7)	4.13	1.08
Marketing/social media expertise	24	2 (8.3)	4 (16.7)	7 (29.2)	4 (16.7)	7 (29.2)	3.42	1.32
Past experience with contractor	21	4 (19.1)	1 (4.8)	5 (23.8)	5 (23.8)	6 (28.6)	3.39	1.47
Project management experience	21	5 (23.8)	4 (19.1)	6 (28.6)	4 (19.1)	2 (9.5)	2.71	1.31
Reputation of contractor	23	1 (4.4)	1 (4.4)	4 (17.4)	8 (34.8)	9 (39.1)	4.00	1.09
Transfer of risk externally	22	5 (22.7)	2 (9.1)	5 (22.7)	3 (13.6)	7 (31.8)	3.23	1.57

Note. Likert-Type Scale Items = (1) Not a factor, (2) A slight factor, (3) A moderate factor, (4) A major factor, (5) A very significant factor

Table 13 provides frequencies of the 12 factors influencing a privatization decision described by respondents who indicated the management of their bookstore operation was *currently provided by a contractor, previously self-operated*. The three responses with the highest mean for "*Currently provided by a contractor, previously self-operated*" were management specialization/expertise (*M* = 3.81, *SD* = 1.17), inventory costs carried by contractor (*M* = 3.65, *SD* = 1.14), and reputation of the contractor (*M* = 3.48, *SD* = 1.29). Reduced external legislative pressures had the lowest mean (*M* = 1.50, *SD* = 1.07).

Table 13

Currently Contracted, Previously Self-Operated: Bookstore Privatization Decision Factors

		Likert scale [1-5] frequency (percent)						
Item	*n*	[1]	[2]	[3]	[4]	[5]	*M*	*SD*
External capital for renovation or facilities construction	31	9 (29.0)	4 (12.9)	7 (22.6)	7 (22.6)	4 (12.9)	2.77	1.43
Inventory costs carried by contractor	31	1 (3.23)	5 (16.1)	6 (19.4)	11 (34.5)	8 (25.8)	3.65	1.14
Customer service/quality improvements	29	5 (17.2)	4 (13.8)	10 (34.5)	7 (24.1)	3 (10.3)	2.97	1.24
External legislative pressures	26	20 (76.9)	2 (7.7)	2 (7.7)	1 (3.8)	1 (3.8)	1.50	1.07
Human resources/staffing issues	30	8 (26.7)	2 (6.7)	13 (43.3)	4 (13.3)	3 (10.0)	2.73	1.29
Internal influences to change "status quo"	26	10 (38.5)	7 (26.9)	4 (15.4)	3 (11.5)	2 (7.7)	2.23	1.31
Management specialization/expertise	31	2 (6.5)	3 (9.7)	3 (9.7)	14 (45.2)	9 (29.0)	3.81	1.17
Marketing/social media expertise	28	5 (17.9)	7 (25.0)	10 (35.7)	3 (10.7)	3 (10.7)	2.71	1.21
Past experience with contractor	26	14 (53.9)	1 (3.9)	6 (23.1)	3 (11.5)	2 (7.7)	2.15	1.41
Project management experience	27	13 (48.2)	4 (14.8)	7 (25.9)	3 (11.1)	0 (0)	2.00	1.11
Reputation of contractor	31	4 (12.9)	2 (6.5)	7 (22.6)	11 (35.5)	7 (22.6)	3.48	1.29
Transfer of risk externally	31	3 (9.7)	5 (16.1)	10 (32.3)	7 (22.6)	6 (19.4)	3.26	1.24

Note. Likert-Type Scale Items = (1) Not a factor, (2) A slight factor, (3) A moderate factor, (4) A major factor, (5) A very significant factor

Table 14 summarizes the total responses to the question "*To what extent were these items a factor in the Dining Services privatization decision at your institution*" with the management type *currently provided by a contractor, never self-operated*. The three responses with the highest mean for this question and management type were management specialization/expertise (*M* = 4.32, *SD* = 0.61), external capital for renovation or facilities construction (*M* = 4.14, *SD* =

1.16), and customer service/quality improvements (*M* = 3.89, *SD* = 0.99). Reduced external legislative pressures had the lowest mean (*M* = 1.60, *SD* = 1.02).

Table 14

Currently Contracted, Never Self-Operated: Dining Services Privatization Decision Factors

Item	*n*	Likert scale [1-5] frequency (percent) [1]	[2]	[3]	[4]	[5]	*M*	*SD*
External capital for renovation or facilities construction	37	2 (5.4)	1 (2.7)	7 (18.9)	7 (18.9)	20 (54.1)	4.14	1.16
Inventory costs carried by contractor	37	5 (13.5)	3 (8.1)	4 (10.8)	14 (37.8)	11 (29.7)	3.62	1.34
Customer service/quality improvements	38	2 (5.3)	0 (0)	9 (23.7)	16 (42.1)	11 (28.9)	3.89	0.99
External legislative pressures	30	20 (66.7)	5 (16.7)	3 (10.0)	1 (3.3)	1 (3.3)	1.60	1.02
Human resources/staffing issues	36	3 (8.3)	4 (11.1)	8 (22.2)	12 (33.3)	9 (25.0)	3.56	1.21
Internal influences to change “status quo”	27	11 (40.7)	4 (14.8)	4 (14.8)	2 (7.4)	6 (22.2)	2.56	1.59
Management specialization/expertise	38	0 (0)	0 (0)	3 (7.9)	20 (52.6)	15 (39.5)	4.32	0.61
Marketing/social media expertise	36	4 (11.1)	4 (11.1)	12 (33.3)	10 (27.8)	6 (16.7)	3.28	1.19
Past experience with contractor	35	10 (28.6)	3 (8.6)	5 (14.3)	8 (22.9)	9 (25.7)	3.09	1.57
Project management experience	36	14 (38.9)	3 (8.3)	5 (13.9)	10 (27.8)	4 (11.1)	2.64	1.49
Reputation of contractor	38	2 (5.3)	5 (13.2)	8 (21.1)	13 (34.2)	10 (26.3)	3.63	1.16
Transfer of risk externally	37	2 (5.4)	4 (10.8)	8 (21.6)	11 (29.7)	12 (32.4)	3.73	1.18

Note. Likert-Type Scale Items = (1) Not a factor, (2) A slight factor, (3) A moderate factor, (4) A major factor, (5) A very significant factor

Table 15 summarizes the total responses response missing to the question “*To what extent were these items a factor in the Dining Services privatization decision at your institution*” with the management type *currently provided by a contractor, previously self-operated*. The three responses with the highest mean for this question and management type were management specialization/expertise (*M* = 3.93, *SD* = 0.99), customer service/quality improvements (*M* = 3.62, *SD* = 1.02), and reputation of the contractor (*M* = 3.56, *SD* = 1.04). Reduced external legislative pressures had the lowest mean (*M* = 1.48, *SD* = 0.75).

Table 15

Currently Contracted, Previously Self-Operated: Dining Services Privatization Decision Factors

Item	*n*	[1]	[2]	[3]	[4]	[5]	*M*	*SD*
		Likert scale [1-5] frequency (percent)						
External capital for renovation for facilities construction	26	4 (15.4)	2 (7.7)	7 (26.9)	7 (26.9)	6 (23.1)	3.45	1.36
Inventory costs carried by contractor	26	5 (15.4)	2 (7.7)	7 (26.9)	8 (30.8)	4 (15.4)	3.15	1.35
Customer service/quality improvements	26	1 (3.9)	2 (7.7)	8 (30.1)	10 (38.5)	5 (19.2)	3.62	1.02
External legislative pressures	21	14 (66.7)	4 (19.1)	3 (14.3)	0 (0)	0 (0)	1.48	0.75
Human resources/staffing issues	26	3 (11.5)	4 (15.4)	6 (23.1)	8 (30.1)	5 (19.2)	3.31	1.29
Internal influences to change "status quo"	23	6 (26.1)	4 (17.4)	9 (39.1)	2 (8.7)	2 (8.7)	2.57	1.24
Management specialization/expertise	27	1 (3.7)	1 (3.7)	5 (18.5)	12 (44.4)	8 (29.6)	3.93	0.99
Marketing/social media expertise	23	1 (4.4)	6 (26.1)	8 (34.8)	5 (21.7)	3 (13.0)	3.13	1.10
Past experience with contractor	24	8 (33.3)	3 (12.5)	5 (20.8)	7 (29.2)	1 (4.2)	2.58	1.35
Project management experience	25	4 (16.0)	8 (32.0)	6 (24.0)	5 (20.0)	2 (8.0)	2.72	1.21
Reputation of contractor	25	1 (4.0)	4 (16.0)	3 (12.0)	14 (56.0)	3 (12.0)	3.56	1.04
Transfer of risk externally	27	3 (11.1)	5 (18.5)	6 (22.2)	10 (37.0)	3 (11.1)	3.19	1.21

Note. Likert-Type Scale Items = (1) Not a factor, (2) A slight factor, (3) A moderate factor, (4) A major factor, (5) A very significant factor

Table 16 summarizes the bookstore and dining services decision factors by the two management types, offering the three highest and the one lowest means. Management specialization/expertise was the item with the highest mean under both management types, *currently provided by a contractor, never self-operated* and c*urrently provided by a contractor, previously self-operated* for both bookstore and dining services units. The decision factor of external legislative pressures was the item with the lowest mean under both management types, *currently provided by a contractor, never self-operated* and *currently provided by a contractor, previously self-operated* for both bookstore and dining services units.

Table 16

Bookstore and Dining Operations - Highest and Lowest Privatization Factor Means

		Bookstore				Dining Services		
Management Type	Privatization Factor	*n*	*M*	*SD*	Privatization Factor	*n*	*M*	*SD*
Currently provided by a contractor, never self-operated	Management specialization/ expertise	24	4.13	1.08	Management specialization/ expertise	38	4.32	0.62
	Reputation of the contractor	23	4.00	1.09	External capital for renovation or facilities construction	37	4.14	1.16
	Inventory costs carried by contractor	24	3.96	1.08	Customer service/ quality improvements	38	3.90	1.01
	External legislative pressures	20	1.60	1.10	External legislative pressures	30	1.60	1.04
Currently provided by a contractor, previously self-operated	Management specialization/ expertise	31	3.81	1.17	Management specialization/ expertise	27	3.93	0.99
	Inventory costs carried by contractor	31	3.65	1.14	Customer Service/quality improvements	26	3.62	1.02
	Reputation of the contractor	31	3.48	1.29	Reputation of the contractor	25	3.56	1.04
	External legislative pressures	26	1.50	1.07	External legislative pressures	21	1.48	0.75

Bookstore Correlations

To dig deeply into the data to address Research Question 2, correlation coefficients (Pearson's *r*, two-tailed) were used to measure the relationship between the items from survey question eight, which covered the factors involving the privatization of university bookstore services (n = 56). The values range from -1 to +1 in order to determine the strength and direction of the relationship. A negative *r* value would represent a negative linear relationship, zero *r* indicates no linear relationship, and a positive *r* represents a positive linear relationship. The results are shown in Table 17.

Table 17

Correlations for Bookstore

Variable	1	2	3	4	5	6	7	8	9	10	11	12
1	1											
2	**.50****	1										
3	.36**	.39**	1									
4	.25	.23	.44**	1								
5	.16	.35**	.44**	.42**	1							
6	.24	.15	.32*	.43**	.41**	1						
7	.31*	**.51****	**.51****	.23	.43**	.26	1					
8	.28*	.26*	.49**	.17	.30*	.22	**.55****	1				
9	.11	.23	.33*	.19	.34*	.03	.22	.28*	1			
10	.14	.21	.31*	.16	.29*	.32*	.29*	**.51****	**.64****	1		
11	.31*	.39**	.42**	.27*	.31*	.12	**.52****	.36**	.31*	.45**	1	
12	.19	.38**	.31*	.19	.34*	.32*	.31*	.18	.03	.23	.26*	1

Note. *$p < .05$ **$p < .01$ 1=external capital for renovation or facilities; 2=inventory costs carried by contractor; 3=customer service/quality improvements; 4=external legislative pressures; 5= human resources/staffing issues; 6=internal influences to change 'status quo'; 7=management specialization/expertise; 8=marketing/social media expertise; 9=past experience with contractor; 10=project management experience; 11=reputation of contractor; 12=transfer of risk externally

Correlation coefficients indicated a significant interrelationship between many of the variables in the dataset. All statistically significant bivariate correlations were positive relationships ranging from low to moderate to strong correlations. Strong positive correlations occurred between the variables of external capital for renovation or facilities and inventory costs carried by contractor (r = .50, p < .01), inventory costs carried by contractor and management specialization/expertise (r = .51, p < .01), customer service/quality improvements and management specialization/expertise (r = .51, p < .01), management specialization/expertise and marketing/social media expertise (r = .55, p < .01), management specialization/expertise and reputation of contractor (r = .52, p < .01), marketing/social media expertise and project management experience (r = .51, p < .01), and past experience with contractor and project management experience (r = .64, p < .01). All correlations were within a range of (r = .03) to (r = .64). Other moderate and low bivariate correlations were also statistically significant. This pattern suggests that seven of the 12 variables had strong correlations (as highlighted in Table 17).

Table 18 contains frequencies for the pairs with strong correlation ($r \geq .50$). The categories from Gordon's (2019) Privatization Decision Framework with the most frequent privatization factors were management specialization/expertise (n = 4), inventory costs carried by contractor (n = 2), marketing/social media expertise (n = 2), and project management experience (n = 2). The frequencies occur within four of the five framework categories. The only framework category that did not appear in the correlations was external legislative pressures. These results suggest that external political pressures were not a driving factor in privatization decisions.

Table 18

Bookstore Privatization Decision Framework Aligned to High Correlation Frequencies

	Frequency												
Framework	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	Total
Human Resources							4	2		2			8
Institutional Financial	1	2											3
Quality and Service			1										1
Internal Administration									1		1		2
External Political													0
Total	1	2	1	0	0	0	4	2	1	2	1	0	14

Note. 1=external capital for renovation or facilities; 2=inventory costs carried by contractor; 3=customer service/quality improvements; 4=external legislative pressures; 5= human resources/staffing issues; 6=internal influences to change 'status quo'; 7=management specialization/expertise; 8=marketing/social media expertise; 9=past experience with contractor; 10=project management experience; 11=reputation of contractor; 12=transfer of risk externally

Dining Services Correlations

Correlation coefficients (Pearson's *r*, two-tailed) are standardized measures of the relationship of variables, and thus these were used to measure the relationship between items regarding the privatization of university dining services in survey question 16 ($n = 67$). The values range from -1 to +1 and represent the linear relationship of variables, as well as their strength and direction. A negative *r* value would express a negative linear relationship, a zero *r* indicates no linear relationship, and a positive *r* illustrates a positive linear relationship. Table 19 displays the correlation coefficients of factors the dataset.

All correlations ranged from ($r = -.07$) to ($r = .67$). The strongest correlations occurred between the variables of external capital for renovation or facilities and inventory costs carried by contractor ($r = .66$, $p < .01$), inventory costs carried by contractor and transfer risk externally ($r = .51$ $p < .01$), customer service/quality improvements and management specialization/expertise ($r = .59$, $p < .01$), customer service/quality improvements and marketing/social media expertise ($r = .67$, $p < .01$), customer service/quality improvements and project management experience ($r = .52$, $p < .01$), customer service/quality improvements and reputation of contractor ($r = .62$ $p < .01$), project management experience and human resources/staffing issues ($r = .56$, $p < .01$), management specialization/expertise and reputation of contractor ($r = .56$, $p < .01$), marketing/social media expertise and past experience with contractor ($r = .51$, $p < .01$), marketing/social media expertise and project management experiences ($r = .63$, $p < .01$), marketing/social media expertise and reputation of contractor ($r = .56$, $p < .01$), and project management experience and reputation of contractor ($r = .62$ $p < .01$). Other moderate and low bivariate correlations were also statistically significant. The pattern of these results suggests that 10 of the 12 variables had strong correlations (as highlighted in Table 19).

Table 19

Correlations for Dining Services

Variable	1	2	3	4	5	6	7	8	9	10	11	12
1	1											
2	**.66****	1										
3	.35**	.35**	1									
4	-.07	.14	.25*	1								
5	.18	.31*	.48**	.34**	1							
6	.07	.15	.39**	.32**	.32**	1						
7	.42**	.48**	**.59****	.20	.46**	.23	1					
8	.32**	.38**	**.67****	.21	.44**	.36**	.41**	1				
9	.11	.19	.34**	.26*	.38**	.18	.31*	**.51****	1			
10	.28*	.42**	**.52****	.39**	**.56****	.36**	.44**	**.63****	.43**	1		
11	.35**	.42**	**.62****	.26*	.44**	.32**	**.56****	**.56****	.45**	**.62****	1	
12	.40**	**.51****	.29*	.24	.47**	.21	.49**	.25*	.28*	.46**	.40**	1

Note. 1=external capital for renovation or facilities; 2=inventory costs carried by contractor; 3=customer service/quality improvements; 4=external legislative pressures; 5= human resources/staffing issues; 6=internal influences to change 'status quo'; 7=management specialization/expertise; 8=marketing/social media expertise; 9=past experience with contractor; 10=project management experience; 11=reputation of contractor; 12=transfer of risk externally

*$p < .05$

**$p < .01$

The framework categories of marketing/social media expertise (n = 4), customer service/quality improvements (n = 4), project management (n = 4), and reputation of contractor (n = 4) are the most frequent factors that fall within several of the framework categories in Table 20. The only framework category that did not appear in the correlations was external legislative pressures. It suggests that politics are not a factor that influences a privatization decision of dining services operations.

Table 20

Dining Services Privatization Decision Framework Aligned to High Correlation Frequencies

	Frequency												
Framework	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	Total
Human Resources					1		2	4		4			11
Institutional Financial	1	2											3
Quality and Service			4										4
Internal Administration									1		4	1	6
External Political													0
Total	1	2	4	0	1	0	2	4	1	4	4	1	24

Note. 1=external capital for renovation or facilities; 2=inventory costs carried by contractor; 3=customer service/quality improvements; 4=external legislative pressures; 5= human resources/staffing issues; 6=internal influences to change ‘status quo’; 7=management specialization/expertise; 8=marketing/social media expertise; 9=past experience with contractor; 10=project management experience; 11=reputation of contractor; 12=transfer of risk externally

Research Question 3

The third research question, “*What perceived outcomes have occurred as a result of privatization and to what extent overall are such privatization efforts viewed as successful or unsuccessful?*” sought to understand whether the bookstore and dining services contracted relationships met the university’s pre-contract expectations of performance, and how high the overall satisfaction level of the university was with the contractors. Descriptive statistics were used to evaluate the performance expectations and overall satisfaction level.

Turning now to whether contract expectations have been met, Table 21 shows the responses by universities with bookstore operations *currently provided by a contractor, never self-operated*. The university’s performance expectations were rated on a five-item Likert scale with factors ranging from (1) Did not meet any expectations, (2) Met some but not all expectations, (3) Generally met expectations, (4) Exceeded expectations, (5) Greatly exceeded expectations. The responses with the three highest means were *transfer of risk externally* (*M* = 4.05, *SD* = 0.59), *transfer of inventory costs carried by contractor* (*M* = 4.00, *SD* = 0.54), and *management specialization/expertise* (*M* = 3.91, *SD* = 0.43). The expectation item with the lowest mean was *reduced external legislative pressures* (*M* = 3.47, *SD* = 0.99).

Table 21

Currently Contracted, Never Self-Operated: Bookstore Contract Expectations Met

Expectation		Likert scale [1-5] frequency (percent)						
	n	[1]	[2]	[3]	[4]	[5]	*M*	*SD*
Enhanced external capital for renovation or facilities	22	0 (0)	1 (4.6)	6 (27.3)	15 (68.2)	0 (0)	3.64	0.58
Transfer of inventory costs carried by contractor	22	0 (0)	1 (4.6)	0 (0)	19 (86.4)	2 (9.1)	4.00	0.54
Customer service/quality improvements	24	0 (0)	1 (4.2)	7 (20.2)	14 (58.3)	2 (8.3)	3.71	0.69
Reduced external legislative pressures	15	1 (6.7)	1 (6.7)	4 (26.7)	8 (53.3)	1 (6.7)	3.47	0.99
Improved human resources/staffing	20	0 (0)	1 (5.0)	4 (20.0)	14 (70.0)	1 (5.0)	3.75	0.64
Reduced internal influences to change “status quo”	14	0 (0)	0 (0)	5 (35.7)	7 (50.0)	2 (14.3)	3.79	0.70
Management specialization/expertise	22	0 (0)	0 (0)	3 (13.6)	18 (81.8)	1 (4.6)	3.91	0.43
Improved marketing/social media expertise	24	1 (4.2)	2 (8.3)	7 (29.2)	12 (50.0)	2 (8.3)	3.50	0.93
Transfer of risk externally	21	0 (0)	0 (0)	3 (14.3)	14 (66.7)	4 (19.1)	4.05	0.59

Note. Likert Scale Items: (1) Did not meet any expectations, (2) Met some but not all expectations, (3) Generally met expectations, (4) Exceeded expectations, (5) Greatly exceeded expectations

As summarized in Table 22, respondents to the bookstore management type *currently provided by a contractor, previously self-operated* indicated the top three means for bookstore contractor expectations items were *transfer of inventory costs carried by contractor* (*M* = 4.04, *SD* = 0.34), *management specialization/expertise* (*M* = 3.96, *SD* = 0.81), and *transfer of risk* *externally* (*M* = 3.77, *SD* = 0.71). The expectation item with the lowest mean was *reduced external legislative pressures* (*M* = 3.08, *SD* = 1.31).

Table 22

Currently Contracted, Previously Self-Operated: Bookstore Contractor Expectations Met

Expectation	*n*	Likert scale [1-5] frequency (percent) [1]	[2]	[3]	[4]	[5]	*M*	*SD*
Enhanced external capital for renovation or facilities	26	0 (0)	1 (3.9)	9 (34.6)	15 (57.7)	1 (3.9)	3.62	0.64
Transfer of inventory costs carried by contractor	26	0 (0)	0 (0)	1 (3.9)	23 (88.5)	2 (7.7)	4.04	0.34
Customer service/quality improvements	28	0 (0)	0 (0)	13 (46.4)	11 (30.3)	4 (14.3)	3.68	0.72
Reduced external legislative pressures	12	2 (16.7)	2 (16.7)	2 (16.7)	5 (41.7)	1 (8.3)	3.08	1.31
Improved human resources/staffing	26	0 (0)	1 (3.9)	5 (19.2)	17 (65.4)	3 (11.5)	3.85	0.68
Reduced internal influences to change “status quo”	18	0 (0)	3 (16.7)	5 (27.8)	8 (44.4)	2 (11.1)	3.50	0.92
Management specialization/expertise	27	1 (3.7)	0 (0)	3 (11.1)	18 (66.7)	5 (18.5)	3.96	0.81
Improved marketing/social media expertise	26	0 (0)	1 (3.9)	15 (57.7)	7 (26.9)	3 (11.5)	3.46	0.76
Transfer of risk externally	26	0 (0)	1 (3.9)	7 (26.9)	15 (57.7)	3 (11.5)	3.77	0.71

Note. Likert Scale Items: (1) Did not meet any expectations, (2) Met some but not all expectations, (3) Generally met expectations, (4) Exceeded expectations, (5) Greatly exceeded expectations

Respondents were also asked to report their overall satisfaction with the bookstore contractor. The median for management type *currently provided by a contractor, never self-operated* (*M* = 4.00, *SD* = 0.67), indicated the contractor *exceeded expectations.* The management type *currently provided by a contractor, previously self-operated* (*M* = 3.77, *SD* = 0.68) indicated the contractor *generally met expectations* (see Table 23).

Table 23

Overall Satisfaction with Bookstore Contractor

Management Type	Likert scale [1 - 5] frequency (percent)						
	[1]	[2]	[3]	[4]	[5]	*M*	*SD*
Currently provided by a contractor, never self-operated (*n* = 23)	0 (0)	0 (0)	5 (21.7)	13 (56.5)	5 (21.7)	4.00	0.67
Currently provided by a contractor, previously self-operated (*n* = 30)	0 (0)	0 (0)	11 (36.7)	15 (50.0)	4 (13.3)	3.77	0.68
ALL Currently provided by a contractor (*n* = 53)	0 (0)	0 (0)	16 (30.2)	28 (52.8)	9 (17.0)	3.87	0.67

Note. Likert Scale Items = (1) Did not meet any expectations, (2) Met some but not all expectations, (3) Generally met expectations, (4) Exceeded expectations, (5) Greatly exceeded expectations

Bookstore respondents were asked if they would make the same or a different decision regarding their contracted relationship. The median for management type *currently provided by a contractor, never self-operated* (*M* = 3.71, *SD* = 0.86), indicated the university would *make the same decision to privatize the bookstore with a different contractor*. The management type *currently provided by a contractor, previously self-operated* (*M* = 3.65, *SD* = 0.92) indicated the university would *make the same decision to privatize the bookstore with a different contractor.* (see Table 24).

Table 24

Bookstore Contractor: Make the Same or Different Decision Again

Management Type	Likert scale [1-4] frequency (percent)					
	[1]	[2]	[3]	[4]	*M*	*SD*
Currently provided by a contractor, never self-operated (*n* = 24)	2 (8.3)	0 (0)	1 (4.2)	21 (87.5)	3.71	0.86
Currently provided by a contractor, previously self-operated (*n* = 31)	3 (9.7)	0 (0)	2 (6.5)	26 (83.9)	3.65	0.92
ALL currently provided by a contractor (*n* = 55)	5 (9.0)	0 (0)	3 (5.5)	47 (85.5)	3.67	0.88

Note. Likert scale Items = (1) Unsure, (2) Make the decision to self-operate the bookstore, (3) Make the same decision to privatize the bookstore with a different contractor, (4) Make the same decision to privatize the bookstore with the same contractor

Dining Services

Descriptive statistics were employed to evaluate the extent to which the dining services contract provider met pre-contract expectations. The data was derived from responses to survey question 17, *"Please indicate the management status of the Dining operation at your institution."* A summary of responses found in Table 25, to the dining services management type *currently provided by a contractor, never self-operated* found the top three means for contractor expectations items were: *transfer of risk externally* (*M* = 3.81, *SD* = 0.65), *management specialization/expertise* (*M* = 3.70, *SD* = 0.90), and *enhanced external capital for renovation or facilities* (*M* = 3.59, *SD* = 0.63), The expectation item with the lowest mean was reduced external legislative pressures (*M* = 2.75, *SD* = 0.83).

Table 25

Currently Contracted, Never Self-Operated: Dining Services Contract Expectations Met

Expectation		Likert scale [1-5] frequency (percent)						
	n	[1]	[2]	[3]	[4]	[5]	*M*	*SD*
Enhanced external capital for renovation or facilities	37	0 (0)	0 (0)	18 (48.6)	16 (43.2)	3 (8.1)	3.59	0.63
Transfer of inventory costs carried by contractor	36	0 (0)	1 (2.8)	18 (50.0)	14 (38.9)	3 (8.3)	3.53	0.69
Customer service/quality improvements	37	0 (0)	5 (13.5)	17 (45.9)	12 (32.4)	3 (8.1)	3.35	0.81
Reduced external legislative pressures	32	5 (15.6)	1 (3.1)	23 (71.9)	3 (9.4)	1 (2.7)	2.75	0.83
Improved human resources/staffing	37	2 (5.4)	2 (5.4)	14 (37.8)	18 (48.6)	1 (2.7)	3.38	0.85
Reduced internal influences to change "status quo"	32	3 (9.4)	1 (3.1)	12 (37.5)	13 (40.6)	3 (9.4)	3.38	1.02
Management specialization/expertise	37	1 (2.7)	2 (5.4)	10 (27.0)	18 (48.6)	6 (16.2)	3.70	0.90
Improved marketing/social media expertise	37	1 (2.7)	7 (18.9)	10 (27.0)	16 (43.2)	3 (8.1)	3.35	0.96
Transfer of risk externally	37	0 (0)	0 (0)	12 (32.4)	20 (54.1)	5 (13.5)	3.81	0.65

Note. Likert Scale Items: (1) Did not meet any expectations, (2) Met some but not all expectations, (3) Generally met expectations, (4) Exceeded expectations, (5) Greatly exceeded expectations

Respondents to the dining services management type *currently provided by a contractor, previously self-operated* indicated the top three means for dining services contractor expectations items were: *management specialization/expertise* (*M* = 3.77, *SD* = 0.80), e*nhanced external capital for renovation or facilities* (*M* = 3.53, *SD* = 0.70), and *improved marketing/social media* (*M* = 3.38, *SD* = 0.88). The expectation item with the lowest mean was *reduced external legislative pressures* (*M* = 2.92, *SD* = 0.76). A summary of all responses is found in Table 26.

Table 26

Currently Contracted, Previously Self-Operated: Dining Services Contractor Expectations Met

Expectation	*n*	Likert scale [1-5] frequency (percent) [1]	[2]	[3]	[4]	[5]	*M*	*SD*
Enhanced external capital for renovation or facilities	25	0 (0)	15 (60.0)	7 (28.0)	3 (12.0)	0 (0)	3.53	0.70
Transfer of inventory costs carried by contractor	26	0 (0)	1 (3.8)	20 (76.9)	3 (11.5)	2 (7.7)	3.23	0.64
Customer service/quality improvements	26	0 (0)	6 (23.1)	11 (42.3)	6 (23.1)	3 (11.5)	3.23	0.93
Reduced external legislative pressures	24	2 (8.3)	1 (4.2)	19 (79.2)	1 (4.2)	1 (4.2)	2.92	0.76
Improved human resources/staffing	26	0 (0)	3 (11.5)	16 (61.5)	6 (23.1)	1 (3.8)	3.19	0.68
Reduced internal influences to change “status quo”	26	1 (3.8)	4 (15.4)	18 (69.2)	3 (11.5)	0 (0)	2.88	0.64
Management specialization/expertise	26	0 (0)	0 (0)	12 (46.2)	8 (30.8)	6 (23.1)	3.77	0.80
Improved marketing/social media expertise	26	0 (0)	5 (19.2)	8 (30.8)	11 (42.3)	2 (7.7)	3.38	0.88
Transfer of risk externally	26	0	2 (7.7)	17 (65.4)	6 (23.1)	1 (3.8)	3.23	0.64

Note. Likert Scale Items: (1) Did not meet any expectations, (2) Met some but not all expectations, (3) Generally met expectations, (4) Exceeded expectations, (5) Greatly exceeded expectations

Respondents of contracted operations were surveyed to seek their overall satisfaction level with the dining services contractor. For the management type *currently provided by a contractor, never self-operated* (*M* = 3.60, *SD* = 0.73), indicates the dining services contractor *generally met expectations*. Under management type *currently provided by a contractor,* *previously self-operated*, (M = 3.46, SD = 0.71), indicates the dining services contractor *generally met expectations.* The results of which are summarized in Table 27.

Table 27

Overall Satisfaction Level of Dining Services Contractor

Management Type	Likert scale [1 - 5] frequency (percent)						
	[1]	[2]	[3]	[4]	[5]	M	SD
Currently provided by a contractor, never self-operated (n = 37)	0 (0)	2 (5.41)	14 (37.84)	18 (48.65)	3 (8.11)	3.60	0.73
Currently provided by a contractor, previously self-operated (n = 26)	0 (0)	1 (3.9)	14 (53.9)	9 (34.6)	2 (7.7)	3.46	0.71
All Contractors (n = 63)	0 (0)	3 (4.8)	28 (44.4)	27 (42.9)	5 (7.9)	3.54	0.71

Note. Likert Scale Items = (1) Did not meet any expectations, (2) Met some but not all expectations, (3) Generally met expectations, (4) Exceeded expectations, (5) Greatly exceeded expectations

Respondents of the two dining services contracted management types answered the question "*Given your institution's experience and satisfaction with your dining contractor, if you could make the initial decision to contract again would the institution*" with *currently provided by a contractor, never self-operated* (M = 3.51, SD = 0.99) and *currently provided by a contractor, previously self-operated* (M = 3.23, SD = 1.28) indicating the decision to privatize, see Table 28.

Table 28

Dining Services Contractor: Make Same or Different Decision to Contract Again

Management Type	Likert scale [1-4] frequency (percent)					
	[1]	[2]	[3]	[4]	M	SD
Currently provided by a contractor, never self-operated (n = 37)	4 (10.8)	1 (2.7)	4 (10.8)	28 (75.7)	3.51	0.99
Currently provided by a contractor, previously self-operated (n = 26)	6 (23.1)	0 (0)	2 (7.7)	18 (69.2)	3.23	1.28
ALL Contractors (n = 63)	10 (15.9)	1 (1.6)	6 (9.5)	46 (73.0)	3.40	1.11

Note. Likert Scale Items = (1) Unsure, (2) Make the decision to self-operate the dining services, (3) Make the same decision to privatize the dining services with a different contractor, (4) Make the same decision to privatize the dining services with the same contractor.

Research Question 4

Research question four "*To what extent do these factors and outcomes vary depending upon type of services being privatized*" examined the factors and outcomes of bookstore and dining services operations. A comparison of responses in the 12 factors influencing a privatization decision and nine privatization impact variables utilized a five-item Likert scale with factors: (1) Did not meet any expectations; (2) Met some but not all expectations; (3) Generally met expectations; (4) Exceeded expectations; and (5) Greatly exceeded expectations. The factor *do not know* was dropped from the analyses because it does not indicate whether an expectation was met or to what extent the expectation was met.

Chi-square is a non-parametric test that compares proportions between two or more mutually exclusive variables and was used to explore associations between the bookstore and dining services operation variables. A two-way chi-square mean difference test was run to analyze the difference between the factors impacting the privatization decision in the bookstore operation and the factors impacting the privatization decision in the dining services operation. The frequencies for each of the variables were recorded and the chi-square test with significance (p-values) for the 12 variables in survey questions 8.1 to 8.12 and 16.1 to 16.12 are reported in Table 29. All tests were conducted at the $\alpha = .05$ level of significance. Results with $p < .05$ had a statistically significant association and results with $p > .05$ did not have a statistically significant association. All results are found in Table 29.

Two of the decision factors were deemed to be significantly different suggesting a relationship may exist between the variables. The first is external capital for renovation or facilities construction's influence on the university's decision to privatize the bookstore to the overall impact of the external capital for renovation or facilities construction being a factor in the university's decision to privatize the dining services. The difference between the two is statistically significant, $\chi^2(4) = 12.01, p = 0.017$. The second statistically signification relationship is the human resources/staffing issues factor affecting the university's decision to privatize the bookstore to the human resources/staffing issues affecting the university's decision to privatize dining services, $\chi^2(4) = 11.56, p = 0.021$.

Table 29

Privatization Decision Factor Differences between Bookstore and Dining Services

Factor	Bookstore *M*	Dining Services *M*	χ^2	*df*	*p*
External capital for renovations or facilities	4.41	3.81	12.02	4	0.017*
Inventory costs carried by contractor	4.24	3.43	5.25	4	0.263
Customer service/quality improvements	4.26	3.78	4.67	4	0.323
External legislative pressure	2.21	1.55	2.10	4	n/a
Human resources/staffing issues	3.76	3.45	11.56	4	0.021*
Internal influences to change "status quo"	3.76	2.56	4.03	4	0.403
Management specialization/expertise	4.35	4.15	4.34	4	0.361
Marketing/social media expertise	3.89	3.22	3.16	4	0.532
Past experience with contractor	4.00	2.88	3.08	4	0.544
Project management experience	3.67	2.67	4.06	4	0.398
Reputation of the contractor	4.21	3.60	4.54	4	0.338
Transfer of risk externally	4.19	3.50	4.02	4	0.403

Note. * $p < .05$

Turning now to any differences in the expectations of bookstore and dining services contractor performance, Table 30 reveals that there were significant differences for six of the nine potential outcomes. These six included: external capital for renovation or facilities construction ($\chi^2(4) = 12.45, p = 0.014$), inventory costs carried by contractor ($\chi^2(3) = 45.09, p = 0.001$), customer service/quality improvements ($\chi^2(3) = 9.84, p = 0.020$), external legislative pressure ($\chi^2(4) = 27.97, p = 0.001$), human resources/staffing issues ($\chi^2(4) = 13.84, p = 0.001$), and management specialization/expertise ($\chi^2(4) = 13.21, p = 0.010$), see Table 30.

Table 30

Expectations Meet Differences Between Bookstore and Dining Services

Factor	Bookstore *M*	Dining Services *M*	χ^2	*df*	*p*
External capital for renovations or facilities	3.63	3.52	12.45	4	0.014*
Inventory costs carried by contractor	4.02	3.40	45.09	3	0.001*
Customer service/quality improvements	3.69	3.30	9.84	3	0.020*
External legislative pressure	3.30	2.82	27.97	4	0.001*
Human resources/staffing issues	3.80	3.30	13.84	4	0.001*
Internal influences to change “status quo”	3.63	3.16	7.82	4	0.099
Management specialization	3.94	3.73	13.21	4	0.010*
Marketing/social media expertise	3.48	3.37	5.77	4	0.217
Transfer of risk externally	3.89	3.57	7.67	3	0.053

Note. *p < 0.05

Research Question 5

Research question 5, “*To what extent is there a relationship between the perceived factors that drove the decision to privatize and the perceived outcomes?*” seeks to identify relationships between bookstore and dining services privatization factors.

Overall satisfaction for the bookstore and dining operations were regressed into five categories identified in Gordon’s (2019) Privatization Decision Framework: *human resources*, *institutional financial*, *quality and service*, *internal administration*, and *external political*. The Durbin-Watson statistic tests for autocorrelation in regression analysis. Results of this test range from 0 to 4 with 0 to <2 as positive correlation, 2 as no correlation, and >2 to 4 as a negative correlation (Minitab, n.d.).

Bookstore Regression Analysis

The multiple regression was run to predict *overall satisfaction* with the bookstore contract services provider from the independent variables: *human resources, institutional financial, quality and service, internal administration,* and *external political.* The Durbin-Watson statistic was calculated at 1.55 indicating independence of residuals. The combination of the five variables explained 14.9% of the variation in *overall satisfaction* with the bookstore contractor $F(5,71) = 2.49$, $p <.05$, $R^2 = .149$. Two of the five variables, *institutional financial* and *internal administration* contributed to the statistically significant prediction, $p < 0.05$ of the dependent variable. The multiple regression results are displayed in Table 31.

Table 31

Summary of Bookstore Regression Analysis

Variable		*B*	SE$_B$	*t*	*p*
Overall Satisfaction (constant)		3.72	1.14	3.27	0.039*
Human Resources		0.10	1.43	0.07	0.947
Institutional Financial		3.02	1.16	2.60	0.011*
Quality and Service		-0.813	0.598	-1.36	0.179
Internal Administration		-2.525	0.965	-2.62	0.011*
External Political		1.234	0.915	1.35	0.182
R^2	.149				
F	2.49				

Note. **p* <0.05

Dining Services Regression Analysis

The multiple regression was run to predict *overall satisfaction* with the dining services contract services provider from the independent variables: *human resources, institutional financial, quality and service, internal administration,* and *external political.* The Durbin-Watson statistic was calculated at 0.57 indicating independence of residuals. The combination of the five variables explained 78.1% of the variation in *overall satisfaction* with the dining services contractor $F(5,45) = 32.01$, $p <.05$, $R^2 = .781$. One of the five variables, *institutional financial* contributed to the statistically significant prediction, $p < 0.05$ of the dependent variable. The multiple regression results are displayed in Table 32.

Table 32

Summary of Dining Services Regression Analysis

Variable		B	SE_B	t	p
Overall Satisfaction (constant)		1.551	0.218	7.11	0.001*
Human Resources		0.477	0.249	1.92	0.061
Institutional Financial		-0.339	0.165	-2.06	0.045*
Quality and Service		0.168	0.103	1.62	0.112
Internal Administration		0.273	0.150	1.81	0.076
External Political					0.551
R^2	.781				
F	32.1				

Note. *p <0.05

Research Question 6

Research Question 6 asked, *"For those who had contracted bookstore and dining services, what was their overall experience with the institution's contracted relationship?"* Data for this research question was comprised from open text responses to survey question 12, *"Please share your thoughts regarding your overall experience with your institution's Bookstore contracted relationship,"* and survey question 20, *"Please share your thoughts regarding your overall experience with your institution's Dining Services contracted relationship."*

Bookstore Contractor Experience Comments

I reviewed all responses multiple times and categorized them as a way to share the results. In Table 33, the responses for survey question 12 (n = 39), were placed into the 12 categories for a privatization decision and three additional satisfaction categories of "positive" "neutral" and "negative" were added. Not all respondents replied to this question and several of the responses included items that fit into several categories therefore the overall frequency, and therefore the percentage is based upon 59 items extracted from the 39 responses coded into the aforementioned categories. The overall experience with the bookstore contractor was positive (*n* = 21, 35.6%), followed by neutral (*n* = 5, 8.5%), and negative (*n* = 0, 0%). Eight of the 12 privatization factor categories were visible in the comments including: e*xternal capital for renovation or facilities construction* (*n* = 2, 3.4%), *customer service/quality improvements* (*n* = 5, 8.5%)*, improved human resources/staffing issues* (*n* = 2, 3.4%)*, management specialization/expertise* (*n* = 4, 6.8%), *improved marketing/social media expertise* (*n* = 1, 1.7%), *past experience with contractor* (*n* = 2, 3.4%), *reputation of contractor* (*n* = 16, 27.1%), and *transfer of risk externally* (*n* = 2, 3.4%).

Several respondents noted factors found within Gordon's (2019) Privatization Decision Framework including "Excellent operations, improved service and profitabilty (sic) -- very positve (sic) experience;" "Book busines (sic) is one of areas of continual industry tradtions (sic), that contracted option is a good decision because it does reduce risk in changing envrionment (sic);" and "Much happier having it contracted. University doesn't have the expertise or patience to run its own bookstore." One respondent noted their experiences with two different contractors "First contractor was not a good experience; when changed to a different contractor, the experience has been outstanding!" Four respondents specifically mentioned their contract service provider: "Follett does a good job providing bookstore services in a changing and challenging environment;" "Good partnership with B&N (Barnes & Noble), very nice physical store space;" "Relationship with B&N has been very open and positive and has allowed the University to continue providing our students with the resources they need to succeed. Also, B&N has provided capital for a much needed (sic) renovation of the campus bookstore;" and "Very pleased with B & N - expertise, customer service, best practices, new book distribution methods all at or above expectations. As with any contracted service, most important driver of success is on-site managment (sic) team, ours is top notch." All comments are found in Appendix E.

Table 33

Overall Experience: Bookstore Contracted Relationship

Category	Sample Responses	Frequency	%
External capital for renovation or facilities construction	"B&N has provided capital for a much needed renovation of the campus bookstore."	2	3.4
Transference of inventory costs to contractor		0	0
Customer service/quality improvements	"The contractor provides excellent customer services while being competitive on pricing."	5	8.5
Reduced external legislative pressures		0	0
Improved human resources/staffing issues	"The contract provides all the inventory and staffing."	2	3.4
Reduced internal influences to change "status quo"		0	0
Management specialization/expertise	"We had significant internal control issues while self operated. The outside vendor has brought an improved professional approach to this function"	4	6.8
Improved marketing/social media expertise	"allows the College to include college support donations and creates a strong marketing brand"	1	1.7
Past experience with contractor	First contractor was not a good experience; when changed to a different contractor, the experience has been outstanding!	1	1.7
Project management experience		0	0
Reputation of contractor	"We are very satisfied with our partner, operationally, financially and reuptationally (sic)"	16	27.1
Transfer of risk externally	"Book busines (sic) is one of areas of continual industry tradtions (sic), that contracted option is a good decision because it does reduce risk in changing environment (sic)"	2	3.4
Positive	"It is truly a partnership" "The contractor is an excellent business partner"	21	35.6
Neutral	"Adequate" "good" "Service has been limited"	5	8.5
Negative		0	0

Note. Some comments are in multiple categories. *n* = 59

Dining Services

Respondents to an open-ended survey question 20 (*n* = 43), *"Please share your thoughts regarding your overall experience with your institution's Bookstore contracted relationship."* It is noted that not all respondents replied to this question and several of the responses included items that fit into several categories, see Table 34. Three of the 12 privatization factor categories were visible in the comments including: *customer service/quality improvements* (*n* = 2, 4.4%), *management specialization/expertise* (*n* = 2, 4.4%), *and reputation of contractor* (*n* = 4, 8.9%).

Table 34

Overall Experience: Dining Services Contracted Relationship

Category	Sample Response	Frequency	Percentage
Enhanced external capital for renovation or facilities construction		0	0
Transference of inventory costs to contractor		0	0
Customer service/quality improvements	"…Our dining program is built on high quality and outstanding service…"	2	4.4
Reduced external legislative pressures		0	0
Improved human resources/staffing issues		0	0
Internal influences to change "status quo"		0	0
Management specialization/expertise	"We appreciate their expertise and innovation on campus." "We have a great relationship with our current vendor. Their expertise in this field and resources available to them are very valuable!"	2	4.4
Marketing/social media expertise		0	0
Past experience with contractor		0	0
Project management experience		0	0
Reputation of contractor	"Great partner. Responsive. Forward thinking. Best in the country."	4	8.9
Transfer of risk externally		0	0
Positive	"Excellent/Positive relationship"	23	51.1
Neutral	"adequate" "Has met the objective"	9	20.0
Negative	"…Due to the extension of our contract and the concessions that were made on the university's part, the students aren't as happy with our current contractor."	5	11.1

Note. Some comments are in multiple categories. *n* = 43

Responses that directly noted items within Gordon's (2019) Privatization Decision Framework included, "After years of losing money by self-operating this was one of the smartest decisions made;" "Generally, satisfied. Financially it's been very rewarding. Service is not as consistent as it needs to be. Working on this;" and "Given that the state's higher education system operates on a low bid prtocol (sic) the dining contractor does a nice job of delivering variety, value, and quality." One respondent addressed multiple framework categories in their comment: "They have and leverage access to a greater pool of resources, specialists and brands. They make a science of maximizing customer satisfaction while having outstanding cost control. Plus they are constantly refreshing dining options and venues and addressing our vegan and health focused groups as we never could in the past. At the same or better price points." Other responses of note include comparing the dining operation to other auxiliary operations within the institution: "Challenging as students know other auxiliaries are self-operated while dining is privately managed with workers being unionized employees of the institution." Several respondents indicated they were experiencing a new contracted relationship "JUST STARTING A NEW CONTRACT WITH NEW PROVIDER - VERY HAPPY SO FAR" and "They exceeded expectation on a Year One relationship and work hard to put Food and Value first for our students." All comments are found in Appendix F.

Chapter IV Summary

Chapter IV provided a review of data gathered from an electronic survey distributed to NACAS members at public four-year universities located in the United States. Data was analyzed with the application of appropriate statistics in order to interpret the data. Descriptive statistics measuring frequencies, central tendency, position, and dispersion were used for survey question data. Correlation analysis was performed to measure the relationship between variables. Two open-ended questions provided respondents with the opportunity to share their overall thoughts regarding the privatization of bookstore and dining services operations. Chapter V will examine key findings, a review of results, and recommendations for future studies.

CHAPTER V

KEY FINDINGS AND DISCUSSION

The purpose of this research study was to investigate specific factors influencing a privatization decision of bookstore and/or dining services contracted operations and whether a post-privatization decision would be the same or different given the information the university learned during the course of the privatized relationship. University members of the National Association of College Auxiliary Services (NACAS) at four-year, public universities located in the United States were the population of interest for this study. Members were invited to participate in a web-based survey via a post in a listserv. Participants were asked to identify their university type and geographic location. Respondents who did not meet selection criteria were routed out of the survey. Respondents who met the selection criteria continued through the survey classification questions and specific questions regarding the management status of operations.

The literature review provided foundational information regarding the evolution of “privatization,” “outsourcing,” or “contracting out” in the public sector. Information was limited to factors of consideration when contemplating an outsourcing decision, counter privatization strategies, and episodic articles occurring as a result of contractor negligence. Early research focused on preparation and evaluation of the privatization decision, and had not focused on the areas of pre-privatization goals, satisfaction of privatization goals, and if the decision to privatize could occur again, would the decision be the same or different. This study sought to address gaps in the existing body of knowledge and provide the basis for further research into privatization decisions.

Discussion of Key Findings

Of the 311 total public university of NACAS, 140 met the screening criteria and responded to my survey (45.0%). Respondents participated at a level consistent with their proportional regional membership. Responses to the survey invitation were higher than anticipated, resulting in a more meaningful analysis of the research questions. Full-time equivalents (FTEs) ranged from 500 to 110,000 students with (M = 19,642).

Extent of Privatization of Bookstore and Dining Services at Four-Year, Public Universities

Overall, contracted operations represented slightly more than half of the respondents to the bookstore management question with 79 universities (56.4%) using contracted services, of which 32 (22.9%) were never self-operated and 47 (33.5%) were previously self-operated; this indicates that the extent of privatization is strong among respondents (which recaps some key data from Chapter IV, see Table 35). Of those 79 contracting universities, 23 (16.4%) were in their initial contract term and 51 (64.4%) were in a renewal term; this indicates the extent of privatization renewal is strong among respondents (see Table 35 which recaps some key data from Chapter IV).

Dining services respondents indicated 71 (50.0%) of their universities contracted operations indicating that the extent of privatization for dining services is also strong among respondents. Of the 71 universities contracting their dining services, 14 (10.0%) were in their initial contract term and 53 (37.9%) were in a contract renewal term. These responses suggest the strong support for such privatization due to a large number of contracted operations in the renewal contract term. Furthermore, universities are remaining with the contract services provider rather than changing to a new contract services provider (see Table 35).

Table 35

Summary of Bookstore and Dining Services Management Type and Contract Terms

Management Type	Term	Bookstore *n*	Bookstore Percent	Dining Services *n*	Dining Services Percent
ALL currently provided by a contractor	Initial term	23	(16.4)	14	(10.0)
	Renewed term	51	(36.4)	53	(37.9)
	Unspecified term	5	(3.6)	3	(2.1)
	Total	79	(56.4)	71	(50.0)
All currently self-operated		43	(30.7)	26	(18.6)
Total		140	(100.0)	140	(100.0)

Extent Factors Drove Privatization Decisions

Privatization decisions were examined through correlations of contracted bookstore and/or contracted dining services responses seeking to measure the relationships between the 12 variables: (a) external capital for renovation or facilities; (b) inventory costs carried by contractor; (c) customer service/quality improvements; (d) external legislative pressures; (e) human resources/staffing issues; (f) internal influences to change ‘status quo’; (g) management specialization/expertise; (h) marketing/social media expertise; (i) past experience with contractor; (j) project management experience; (k) reputation of contractor; (l) transfer of risk externally, had on their privatization decision were conducted. The sets of variables were matched to Gordon’s (2019) Privation Decision Framework of five categories: (1) human resources, (2) institutional financial, (3) quality and service, (4) internal administration, and (5) external political factors.

For the contracted bookstore operations, correlations indicated the strongest relationships within the following seven factors: external capital for renovation or facilities, inventory costs carried by contractor, customer service/quality improvements, management specialization/expertise, marketing/social media expertise, past experience with contractor, project management experience, and reputation of contractor. Categories within Gordon's (2019) Privatization Decision Framework identified factors impacting the bookstore privatization decision among respondents were human resources (*n* = 8), institutional financial (*n* = 3), quality and service (*n* = 1) and internal administration (*n* = 2). External political pressures (*n* = 0) was not a factor that drove a privatization decision (see Table 36 which compiles key data from Chapter IV).

Table 36

Summary of Bookstore and Dining Services Privatization Decision Frameworks and High Correlation Frequencies

Framework	Factors	Bookstore *n*	Dining Services *n*
Human Resources	Human resources/staffing issues Management specialization/expertise Marketing/social media expertise Project management experience	8	11
Institutional Financial	External capital for renovation or facilities construction Inventory costs carried by contractor	3	3
Quality and Service	Customer service/quality improvements	1	4
Internal Administration	Internal influences to change "status quo" Past experience with contractor Reputation of contractor Transfer of risk externally	2	5
External Political	External legislative pressures	0	0
Total		14	23

For the contracted dining service operations, correlations indicated the strongest relationships occurred between within these 10 factors: external capital for renovation or facilities, inventory costs carried by contractor, customer service/quality improvements, human resources/staffing issues, management specialization/expertise; marketing/social media expertise, past experience with contractor, project management experience, reputation of contractor, transfer of risk externally. Within Gordon's (2019) Privatization Decision Framework, factors impacting the dining services privatization were found in the following categories: human resources (*n* = 11), institutional financial (*n* = 3), quality and service (*n* = 4), and internal administration (*n* = 5), impacted the privatization decision. The only framework category which did not appear in the correlations was external legislative pressures; this suggests that external legislative pressures is not a factor that influences a privatization decision of dining services operations (see Table 36).

Overall, respondents indicated human resources was the common primary factor that drove a privatization decision in the bookstore and dining services operations. Additionally, external legislative pressures was not a factor in the decision to privative the bookstore and dining services operations.

Privatization Perceived Successful or Unsuccessful Outcomes

The extent that overall privatization efforts within the bookstore and/or dining operations were viewed as successful or unsuccessful were based upon three areas: the extent the bookstore and/or dining services contracted relationship met university expectations of performance in nine areas, the overall performance of the bookstore and/or dining services contractor meeting university expectations, and whether the university would make the same or a different decision to contract the bookstore and/or dining services operations given the experiences with the current bookstore and/or dining services contractor. Table 37 offers a summary look at the means for all satisfaction data gathered (as completed from Chapter IV).

Those who contracted for bookstore operations and had never self-operated such services voiced that their contracted services *generally met expectations* in seven of nine categories (*M* = 3.47 to 3.91) and *exceeded expectations* in two of nine categories, *transfer of inventory costs to contractor* (*M* = 4.00) and *transfer of risk externally* (*M* = 4.05) (see Table 37). Their overall satisfaction was noted as *exceeded expectations* (*M* = 4.00), and they indicated *make the same decision to privatize the bookstore with a different contractor* (*M* = 3.71).

Those who previously self-operated bookstore operations voiced that their contracted services *generally met expectations* in eight of nine categories (*M* = 3.08 to 3.96) and *exceeded expectations* in one of nine categories, *transfer of inventory costs carried by contracto*r (*M* = 4.04). The overall satisfaction with bookstore previously self-operated contractor was *generally met expectations* (*M* = 3.77), and also they would *make the same decision to privatize the bookstore with a different contractor* (*M* = 3.65).

Overall, all who contracted for bookstore operations noted their contractors *generally met expectations* (M = 3.87). Overall, all respondents who have contracted bookstore services indicated they would *make the same decision to privatize the bookstore with a different contractor* (M = 3.67) (see Table 37).

For those who contracted for dining services operations and had never self-operated such services voiced that their contracted services *met some but not all expectations* in one of nine categories, reduced external legislative pressures (*M* = 2.75) and *generally met expectations* in eight of nine categories (*M* = 3.35 to 3.81) (see Table 37). Their overall satisfaction was noted as *generally met expectations* (*M* = 3.60), and they indicated *make the same decision to privatize the dining services operation with a different contractor* (*M* = 3.51).

Those who previously self-operated dining services voiced that their contracted services *met some but not all expectations* in two of nine categories (*M* = 2.88 to 2.92) and *generally met expectations* in seven of nine categories (*M* = 3.19 to 3.77). The overall satisfaction with the dining services contractor was *generally met expectations* (*M* = 3.46) and they would *make the same decision to privatize the dining services operation with a different contractor* (*M* = 3.23).

Overall, all who contracted for dining services operations noted their contractors *generally met expectations* (*M* = 3.54). Overall, respondents who have contracted dining services indicated they would *make the same decision to privatize the dining services operation with a different contractor* (*M* = 3.40) (see Table 37).

Table 37

Overall Means for Bookstore and Dining Services

Variable	Bookstore			Dining Services		
	All Contracted *M*	Never Self-Operated *M*	Previously Self-Operated *M*	All Contracted *M*	Never Self-Operated *M*	Previously Self-Operated *M*
Transfer of inventory costs carried by contractor*	4.02	4.00	4.04	3.40	3.53	3.23
Management specialization/ expertise*	3.94	3.91	3.96	3.73	3.70	3.77
Transfer of risk externally*	3.89	4.05	3.77	3.57	3.81	3.23
Improved human resources/ staffing*	3.80	3.75	3.85	3.30	3.38	3.19
Customer service/quality improvements*	3.69	3.71	3.68	3.30	3.35	3.23
Enhanced external capital for renovation or facilities*	3.63	3.64	3.62	3.52	3.59	3.53
Reduced internal influences to change “status quo”*	3.63	3.79	3.50	3.16	3.38	2.88
Improved marketing/social media expertise*	3.48	3.50	3.46	3.37	3.35	3.38
Reduced external legislative pressures*	3.30	3.47	3.08	2.82	2.75	2.92
Overall Satisfaction**	3.87	4.00	3.77	3.54	3.60	3.46
Would Contract Again***	3.67	3.71	3.65	3.40	3.51	3.23

Note. *Likert Scale Items: (1) Did not meet any expectations, (2) Met some but not all expectations, (3) Generally met expectations, (4) Exceeded expectations, (5) Greatly exceeded expectations **Likert Scale Items = (1) Did not meet any expectations, (2) Met some but not all expectations, (3) Generally met expectations, (4) Exceeded expectations, (5) Greatly exceeded expectations ***Likert Scale Items = (1) Unsure, (2) Make the decision to self-operate the bookstore, (3) Make the same decision to privatize the bookstore with a different contractor, (4) Make the same decision to privatize the bookstore with the same contractor

Factors and Outcomes by Type of Privatized Service

The 12 factors used within their privatization decision for the bookstore ranged from: *a slight factor* (*M* = 2.21), *a moderate factor* (*M* = 3.67 to 3.89), to *a major factor* (*M* = 4.00 to 4.41). The dining services 12 privatization decision factors ranged from: *not a factor* (*M* = 1.55), *a slight factor* (*M* = 2.56 to 2.88), *a moderate factor* (*M* = 3.22 to 3.81), and *a major factor* (*M* = 4.15) (see Table 38).

The nine privatization expectation factors for the bookstore ranged from: *generally met expectations* (*M* = 3.30 to 3.94) to *exceeded expectations* (*M* = 4.02). The nine expectation factors for dining services ranged from: *met some but not all expectations* (*M* = 2.82) to *generally met expectations* (*M* = 3.16 to 3.73) (see Table 38). This suggests that bookstore and dining services contractors generally met expectations.

A review of differences between the 12 factors used within a privatization decision between the bookstore and dining services operations found statistically significant differences in two factors of: external capital for renovation or facilities construction and human resources/staffing issues (see Table 38 for summary data from Chapter IV). A review of the differences in nine factors of contracted relationship expectations between the bookstore and dining services operations found six factors that had significant differences including: external capital for renovation or facilities construction, inventory costs carried by contractor, customer service/quality improvements, external legislative pressure, and human resources/staffing (see Table 38). In all cases, the means were statically higher for bookstore than dining services.

Table 38

Significant Differences in Decision Factors and Expectations Met

Decision Factor #	Bookstore *M*	Dining Services *M*
External capital for renovations or facilities	4.41	3.81*
Inventory costs carried by contractor	4.24	3.43
Customer service/quality improvements	4.26	3.78
External legislative pressure	2.21	1.55
Human resources/staffing issues	3.76	3.45*
Internal influences to change “status quo”	3.76	2.56
Management specialization/expertise	4.35	4.15
Marketing/social media expertise	3.89	3.22
Past experience with contractor	4.00	2.88
Project management experience	3.67	2.67
Reputation of the contractor	4.21	3.60
Transfer of risk externally	4.19	3.50
Expectations Factor ##	Bookstore *M*	Dining Services *M*
External capital for renovations or facilities	3.63	3.52*
Inventory costs carried by contractor	4.02	3.40*
Customer service/quality improvements	3.69	3.30*
External legislative pressure	3.30	2.82*
Human resources/staffing issues	3.80	3.30*
Internal influences to change “status quo”	3.63	3.16*
Management specialization/expertise	3.94	3.73
Marketing/social media expertise	3.48	3.37
Transfer of risk externally	3.89	3.57

Note. *$p > 0.05$. #Likert Scale Items = (1) Not a factor, (2) A slight factor, (3) A moderate factor, (4) A major factor, (5) A very significant factor. ##Likert Scale Items: (1) Did not meet any expectations, (2) Met some but not all expectations, (3) Generally met expectations, (4) Exceeded expectations, (5) Greatly exceeded expectations

Reflection on Decision to Privatize

Overall, the bookstore operations currently managed by a contractor found respondents would *make the same decision to privatize with a different contractor* (M = 3.87) (see Table 39). Also, the dining services operations currently managed by a contractor found respondents would *make the same decision to privatize with a different contractor* (M = 3.54), see Table 39. This suggests the decision to contract bookstore and/or dining services operations with a different contractor is strongly preferred by respondents.

Table 39

Bookstore and Dining Services Overall Satisfaction with Contractor

Management Type	Bookstore *M*	Dining Services *M*
ALL Currently provided by a contractor	3.87	3.54

Note. Likert Scale Items = (1) Did not meet any expectations, (2) Met some but not all expectations, (3) Generally met expectations, (4) Exceeded expectations, (5) Greatly exceeded expectations

Overall Experience with Institution's Contracted Relationship

Responses (*n* = 53) to an open text question seeking thoughts regarding the overall experience with the bookstore services contractor provided insightful information which was not captured in the other survey questions. The largest number of responses were positive regarding the contracted relationship (*n* = 21, 35.6%) including "Excellent Working Relationship" and "We are very satisfied with our partner, operationally, financially and reuptationally (sic)" (see Table 33, in Chapter IV). Verbatim responses are found in Appendix E.

Responses (*n* = 43) to an open text question seeking thoughts regarding the overall experience with the dining services contractor provided insightful information which was not captured in the other survey questions. The responses ranged from positive (*n* = 23, 51.1%), including "After years of losing money by self-operating this was one of the smartest decisions made" to negative (*n* = 5, 11.1%), including "As is the case with external contracted partners, so much success depends on the personnel/employees on the team. We have been through highs and lows as individuals in key management roles have moved on, moved up, etc. Response from higher levels of corporate management have also been hit and miss when further addressing local challenges." regarding the contracted relationship as well as reasons for privatizing (see Table 34, in Chapter IV). Verbatim responses are found in Appendix F.

Implications of Findings/Importance to Auxiliary Services Professionals

The shift from university operated functions run with university employees to external operation by an external for-profit services provider became known as outsourcing, contracting out, or privatization. Administrators had little knowledge as to how to approach a privatization decision and previous research was focused on cost containment and expansion of revenue streams.

Prior research focused on evaluation of a pre-privatization decision and how to manage contracted relationships. This study sought to extend the body of knowledge through inquiry of factors that influenced a privatization decision of bookstore and dining services operations, performance expectation factors, overall satisfaction with the contract services provider, and given knowledge of the contractor's performance, would the decision to privatize remain the same or change.

My study found most of the research conducted on the privatization of university services occurred between 1993 and 2005. The research consisted primarily of pre-privatization decision tools developed by Goldstein et al. (1993) which were further refined by Wertz (1995, 2000). Gupta et al. (2005) and Phipps and Merisotis (2005) noted in their research the need for models and tools to evaluate a privatization decision. From these existing tools, I developed Gordon's (2019) Privation Decision Framework which narrowed the 12 privatization decision factors into five specific categories.

Building upon Wertz's (1995) assertion that no particular pattern of privatization exists on campus, my research found bookstore and dining services operations were the primary drivers for the privatization decision. Wertz (2000) found financial pressures were the driving consideration for institutions to pursue a privatization decision. Krehbiel and Meabon (2006) concluded dining services contractors provided significant financial contributions for capital projects as an inducement for long-term contracts. My research found the primary drivers of a privatization decision were external capital for renovation or facilities construction and improved human resources/staffing.

Mercer's (1995) work concluded contract service providers were primarily focused on private colleges and Wertz and Dreyfuss (1995) found a growing trend as contract services providers were entering the public higher education market. My research expanded upon this information finding at least half of the respondents had privatized bookstore and dining services operations on their campuses.

As no previous research was found comparing pre-privatization goals with post-privatization performance, my study contributed to the body of knowledge finding overall satisfaction with contractor performance based upon current knowledge of such performance, bookstore and dining services contractors generally met expectations.

I also found no previous studies reflecting upon the privatization decision and whether the same decision or a different decision would be made regarding the contracted relationship. My study found that universities would make the same decision to contract their bookstore and dining operations. This information may be helpful to campus leaders who have uncertainty regarding their contract services provider. The open-ended responses to overall experience with the bookstore and dining services contactors provide additional insight into the challenges and opportunities faced by university professionals who manage the contracted relationships.

My study serves to inform institutional leadership contemplating a privatization decision for the bookstore and/or dining services operation of the various pre-privatization factors which respondents considered when approaching their privatization decision. Post contract performance results serve to inform campus leadership about potential areas of satisfaction and dissatisfaction with contract service providers. This may improve contracted relationships as these areas could be addressed in the contracting document. Overall satisfaction informs auxiliary services professionals how their NACAS peers rated contract service providers' performance as indicated by the Likert scale of performance expectation levels. Table 40 offers a summary of my key findings as connected to previous research.

Table 40

Key Findings from Gordon to Previous Research

Gordon Findings (2019)	Previous Research
My research and literature review confirmed significant studies regarding university privatization occurred between 1993 and 2005 including Goldstein, Kempner, and Rush (1993), Wertz (1995, 2000), Gupta et al. (2005), Phipps and Merisotis (2005). The high survey response rate indicates a strong interest among practitioners for more information regarding privatization.	Supports Phipps and Merisotis' (2005) finding that virtually all of the literature regarding outsourcing had been written in the last decade and Gupta et al.'s (2005) noting the lack of models and criteria for outsourcing decisions.
My research reviewed existing outsourcing criteria which identified various factors in a privatization decision and this information was the foundation in the development of my privatization decision framework.	Supports some of factors identified in Goldstein et al.'s (1993) fundamental areas within the Conceptual Decision Process, Wertz (1995, 1997, & 2000), Phipps and Merisotis (2005), and Gupta et al.'s (2005) findings that a lack of evaluation models for privatization in higher education.
My research found bookstore and dining services operation primary drivers for a privatization decision: external capital for renovation or facilities construction ($\chi 2(4)=12.01, p=0.017$) and human resources staffing ($\chi 2(4)=11.56, p=0.021$). My study also found long-term contracts (renewals) in both bookstore and dining services operations.	Builds upon Wertz (1995) no particular pattern of privatization exists on campuses, supports Wertz identification of benefits of privatization to universities, expands upon Wertz and Dreyfuss' (1995) work on privatization trend growth to address university financial difficulties, Wertz (2000) concluded financial pressures are the primary cause institutions privatize, and Krehbiel and Meabon's (2006) findings dining services contractors offered long-term contracts with significant financial contribution for facilities upgrades.
My study found public four-year universities had a high level of contracted services with privatized bookstore (56.4%) and dining services (50.0%) operations revealing strong support for remaining privatized.	Affirms Mercer (1995) found contracted companies built relationships with private colleges and Wertz and Dreyfuss (1995) found privatization was a growing trend.
My study found overall satisfaction with a contractor given the current knowledge of performance was bookstore (M = 3.87) and dining services (M = 3.54) contractors generally met expectations.	No previous research found comparing pre-privatization goals with post-privatization performance, so new finding.
My study found universities would make the same decision to privatize the (M = 3.67) and dining services (M = 3.40) operations with a different contractor	No previous research found on reflection of post contract decision satisfaction, so new finding.

Future Research

This study provides an excellent foundation for additional research to build upon the body of knowledge related to privatization decision factors and post-privatization satisfaction. Although this study focused on NACAS members at public, four-year universities located in the United States with privatized bookstore and dining operations, this study could be replicated for private institutions, community colleges, institutions located outside of the United States, or other membership organizations. A study of K-12 public schools may allow for an examination of factors which are more closely aligned with their operations such as cafeteria services, transportation services, and custodial/maintenance. Another potential area of study could be other privatized operations such as those captured in survey question four "*Please indicate the management status of all services provided at your institution.*"

Case studies of several institutions starting from pre-privatization decision evaluation to post-privatization satisfaction could provide valuable insights into factors which are considered by those who are directly involved in the decision making. The opportunity to study universities that were previously contracted and returned to self-operation may provide a different perspective of the privatization factors.

Finally, a study of institutions that were contemplating a privatization decision but ultimately decided to remain self-operated may provide insights into other factors which were not identified in this or previous studies.

Limitations and Delimitations

This study was delimited to NACAS members at four-year, public universities located in the United States. The NACAS regional designations of Central, East Atlantic, South Atlantic, and West include members from Canada, Mexico, Caribbean, and Europe; the respondents indicating public, four-year university from these countries were eliminated from the survey which reduced useable responses. The results were not generalizable beyond this group.

The study was limited by the perceptions of the respondent to allow for a broader study. As limited, the overall response rate was much high than expected; however, it is worth noting the number of missing responses. These may be a result of the respondent having knowledge of one but not both of the contracted operations or limited knowledge regarding the specific privatization factors.

Final Thoughts

Through the course of this research project, it became clear there are many prospects for further study in the areas mentioned under future research. There are broad opportunities for future collaborations with other researchers as well as membership organizations such as National Association of College and University Business Officers, National Association of College and University Food Services, and National Association of College Stores in order to extend the body of knowledge regarding university service self-operation and privatization. The researcher welcomes the opportunity to discuss this research and any future potential research collaborations.

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Appendix A

Reminder Post to Listserv Participants

Appendix A:

Introductory Listserv Post to Survey Participants

Dear NACAS Colleagues,

I would like to invite you to participate in an independent, national research study "University Auxiliary Services: A Review of Factors Impacting Privatization Decisions." My study utilizes an online survey which will take between 8 – 10 minutes to complete. Your participation is voluntary, and all responses will be kept strictly confidential. Administrators who manage or oversee privatized (contracted) services are encouraged to complete this survey. If your position does not have responsibilities over these areas, kindly forward this link to the person at your university who serves in this capacity.

Please click this link to access the survey:
https://umich.qualtrics.com/jfe/form/SV_bK5sX4zKwMtyR7f

Thank you for your willingness to assist me with this important study. My goal is to present the results of this study at a future NACAS conference. If you have any questions or concerns, please contact me.

Cordially,
Rita S. Gordon
r5gordon1@wmich.edu

Appendix B

Introductory Listserv Post to Survey Participants

Appendix B:

Reminder Post to Listserv Participants

Dear NACAS Colleague,

Recently, I posted a request asking you to assist me with a national research study regarding a review of privatization decisions of university services.

If you responded already, thank you. If not, I would appreciate your assistance with completion of the survey. This survey should take no more than 8-10 to complete. Your participation is voluntary and all responses will be kept strictly confidential.

Please click this link to access the survey:
https://umich.qualtrics.com/jfe/form/SV_bK5sX4zKwMtyR7f

Thank you for your willingness to assist me with this important study. My goal is to present the results of this study at a future NACAS conference. If you have any questions or concerns, please contact me.

Cordially,

Rita S. Gordon

r5gordon1@wmich.edu

Appendix C

Survey

Appendix C:

Survey

Auxiliary Services: A Review of Factors Impacting Privatization Decisions

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Western Michigan University
Department of Educational Leadership, Research and Technology
Principal Investigator: Dr. Louann Bierlein Palmer
Student Investigator: Rita S. Gordon
Title: University Auxiliary Services: A Review of Factors Impacting Privatization Decisions
Date: March 2018

Dear Survey Participant,

Thank you for taking the time to participate in this research study "University Auxiliary Services: A Review of Factors Impacting Privatization Decisions." This survey should take less than 10 minutes to complete.

Your responses will be confidential and you may choose not to answer any question, simply leave it blank. If you choose not to participate in the survey, simply close the survey and exit the browser window any time before hitting "submit" and your answers will not be recorded.

This survey was reviewed by Western Michigan University's Human Subjects Institutional Review Board (HSIRB) and based upon that review, the HSIRB has determined that approval is not required because the survey is not collecting personal identifiable information.

If you have any questions or concerns, you can contact the researcher, Rita S. Gordon at 734-612-3586 or r5gordon1@wmich.edu if you have questions or problems arise during the course of this survey. You may also contact the dissertation chair, Dr. Louann Bierlein Palmer at 269-387-3596 or l.bierleinpalmer@wmich.edu or the Vice President of Research at Western Michigan University 269-387-8298.

Thank you.

Q1 Is your institution a public four-year university?

- ❍ Yes
- ❍ No

Q2 Which region is your primary campus location?

- ❍ East Atlantic (includes: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, Vermont, Washington, D.C., West Virginia)
- ❍ South Atlantic (includes: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas)
- ❍ Central (includes: Indiana, Illinois, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin)
- ❍ West (includes: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming)
- ❍ Primary location not in United States

Q3 Please indicate the number of full-time students (undergraduate and graduate) at your institution during the 2016-2017 academic year:

____

Q4 Please indicate the management status of all services provided at your institution:

	Currently self-operated, never provided by a contractor	Currently self-operated, previously provided by a contractor	Currently provided by a contractor, never self-operated	Currently provided by a contractor, previously self-operated
Custodial/Housekeeping Services	❍	❍	❍	❍
Fitness Center	❍	❍	❍	❍
Grounds Maintenance	❍	❍	❍	❍
Housing	❍	❍	❍	❍
Laundry	❍	❍	❍	❍
Mail and Shipping Services	❍	❍	❍	❍
Parking/Transportation Services	❍	❍	❍	❍
Power Generation/Water Delivery	❍	❍	❍	❍
Printing/Copying Services	❍	❍	❍	❍
Security/Police	❍	❍	❍	❍
Vending	❍	❍	❍	❍
Other: Please indicate	❍	❍	❍	❍

Q5 Please indicate the management status of the Bookstore operation at your institution:

	Currently self-operated, never provided by a contractor	Currently self-operated, previously provided by a contractor	Currently provided by a contractor, never self-operated	Currently provided by a contractor, previously self-operated
Bookstore	❍	❍	❍	❍

Q6 Please indicate the length of time your BOOKSTORE has been operated by all contractors (rounded to the nearest year):

____

Q7 Please indicate which contract renewal your institution is currently on for your BOOKSTORE contract:

- ❍ Initial contract term
- ❍ Renewed contract term

Q8 To what extent were these items a factor in the BOOKSTORE privatization decision at your institution:

	Not sure if a factor	Not a factor	A slight factor	A moderate factor	A major factor	A very significant factor
External capital for renovation or facilities construction	❍	❍	❍	❍	❍	❍
Inventory costs carried by contractor	❍	❍	❍	❍	❍	❍
Customer service/quality improvements	❍	❍	❍	❍	❍	❍
External legislative pressures	❍	❍	❍	❍	❍	❍
Human resources/staffing issues	❍	❍	❍	❍	❍	❍
Internal influences to change "status quo"	❍	❍	❍	❍	❍	❍
Management specialization/expertise	❍	❍	❍	❍	❍	❍
Marketing/social media expertise	❍	❍	❍	❍	❍	❍
Past experience with contractor	❍	❍	❍	❍	❍	❍
Project management experience	❍	❍	❍	❍	❍	❍
Reputation of contractor	❍	❍	❍	❍	❍	❍
Transfer of risk externally	❍	❍	❍	❍	❍	❍

Q9 Please indicate whether the BOOKSTORE contracted relationship has met the university's expectations of performance in the following areas:

	Do not know	Did not meet any expectati ons	Met a few expectations	Met only about half of expectations	Met most but not all expectations	Met all expectations	Exceeded expectations
Enhanced external capital for renovation or facilities construction	❍	❍	❍	❍	❍	❍	❍
Transference of inventory costs to contractor	❍	❍	❍	❍	❍	❍	❍
Customer service/quality improvements	❍	❍	❍	❍	❍	❍	❍
Reduced external legislative pressures	❍	❍	❍	❍	❍	❍	❍
Improved human resources/staffing issues	❍	❍	❍	❍	❍	❍	❍
Reduced internal influences to change "status quo"	❍	❍	❍	❍	❍	❍	❍
Increased management specialization/expertise	❍	❍	❍	❍	❍	❍	❍
Improved marketing/social media expertise	❍	❍	❍	❍	❍	❍	❍
Increased transfer of risk externally	❍	❍	❍	❍	❍	❍	❍

Q10 Please indicate OVERALL expectation level of your BOOKSTORE contractor:

- ❍ Exceeded expectations
- ❍ Met all expectations
- ❍ Met most but not all expectations
- ❍ Met only about half of expectations
- ❍ Met a few expectations
- ❍ Did not meet any expectations
- ❍ Do not know

Q11 Given your institution's experience and satisfaction with your BOOKSTORE contractor, if you could make the initial decision to contract again, would the institution:

- ❍ Make the same decision to privatize the BOOKSTORE with the same contractor
- ❍ Make the same decision to privatize the BOOKSTORE with a different contractor
- ❍ Make the decision to self-operate the BOOKSTORE
- ❍ Unsure

Q12 Please share your thoughts regarding your overall experience with your institution's BOOKSTORE contracted relationship:

____

Q13 Please indicate the management status of the Dining operation at your institution:

	Currently self-operated, never provided by a contractor	Currently self-operated, previously provided by a contractor	Currently provided by a contractor, never self-operated	Currently provided by a contractor, previously self-operated
Dining Services	❍	❍	❍	❍

Q14 Please indicate the length of time your DINING SERVICES has been operated by all contractors (rounded to the nearest year):

____

Q15 Please indicate which contract renewal your institution is currently on for your DINING SERVICES contractor:

- ❍ Initial contract term
- ❍ Renewed contract term

Page Break

Q16 To what extent were these items a factor in the DINING SERVICES privatization decision at your institution:

	Not sure if a factor	Not a factor	A slight factor	A moderate factor	A major factor	A very significant factor
External capital for renovation or facilities construction	❍	❍	❍	❍	❍	❍
Inventory costs carried by contractor	❍	❍	❍	❍	❍	❍
Customer service/quality improvements	❍	❍	❍	❍	❍	❍
External legislative pressures	❍	❍	❍	❍	❍	❍
Human resources/staffing issues	❍	❍	❍	❍	❍	❍
Internal influences to change "status quo"	❍	❍	❍	❍	❍	❍
Management specialization/expertise	❍	❍	❍	❍	❍	❍
Marketing/social media expertise	❍	❍	❍	❍	❍	❍
Past experience with contractor	❍	❍	❍	❍	❍	❍
Project management experience	❍	❍	❍	❍	❍	❍
Reputation of contractor	❍	❍	❍	❍	❍	❍
Transfer of risk externally	❍	❍	❍	❍	❍	❍

Q17 Please indicate whether the DINING SERVICES contracted relationship has met the university's expectations of performance in the following areas:

	Did Not Meet Most Expectations	Met Some But Not All Expectations	Generally Met Expectations	Exceeded Expectations	Greatly Exceeded Expectations
Enhanced external capital for renovation or facilities construction	❍	❍	❍	❍	❍
Transfer of inventory costs to contractor	❍	❍	❍	❍	❍
Customer service/quality improvements	❍	❍	❍	❍	❍
Reduced external legislative pressures	❍	❍	❍	❍	❍
Improved human resources/staffing issues	❍	❍	❍	❍	❍
Reduced internal influences to change "status quo"	❍	❍	❍	❍	❍
Increased management specialization/expertise	❍	❍	❍	❍	❍
Improved marketing/social media expertise	❍	❍	❍	❍	❍
Increased transfer of risk externally	❍	❍	❍	❍	❍

Q18 Please indicate OVERALL satisfaction level with the performance of DINING SERVICES contractor:

- ❍ Greatly Exceeded Expectations
- ❍ Exceeded Expectations
- ❍ Generally Met Expectations
- ❍ Met Some But Not All Expectations
- ❍ Did Not Meet Most Expectations
- ❍ Did Not Meet Any Expectations

Q19 Given your institution's experience and satisfaction with your DINING SERVICES contractor, if you could make the initial decision to contract again, would the institution:

- ❍ Make the same decision to privatize DINING SERVICES with the same contractor
- ❍ Make the same decision to privatize DINING SERVICES with a different contractor
- ❍ Make the decision to self-operate DINING SERVICES
- ❍ Unsure

Q20 Please share your thoughts regarding your overall experience with your institution's DINING SERVICES contracted relationship:

____

END Thank you for your participation in this survey. Your responses are very important to this research project. If you have questions or would like information about this project, please feel to email me: r5gordon1@wmich.edu

Appendix D

HSIRB Approval Letter

Appendix D

Human Subjects Review Board (HSIRB) Determination Letter

WESTERN MICHIGAN UNIVERSITY

Human Subjects Institutional Review Board

Date: January 28, 2016

To: Louann Bierlein Palmer, Principal Investigator
Rita Gordon, Student Investigator for dissertation

From: Amy Naugle, Ph.D., Chair Amy Naugle

Re: Approval not needed for HSIRB Project Number 16-01-38

This letter will serve as confirmation that your project titled "University Auxiliary Services: A Review of Factors Impacting Privatization Decisions" has been reviewed by the Human Subjects Institutional Review Board (HSIRB). Based on that review, the HSIRB has determined that approval is not required for you to conduct this project because you analysis a service and are not collecting personal identifiable (private) information about individual; your scope of work does not meet the Federal definition of human subject.

> **45 CFR 46.102 (f) Human Subject**
>
> (f) *Human subject* means a living individual **about whom** an investigator (whether professional or student) conducting research obtains
>
> (1) Data through intervention or interaction with the individual, or
> (2) Identifiable private information.
>
> *Intervention* includes both physical procedures by which data are gathered (for example, venipuncture) and manipulations of the subject or the subject's environment that are performed for research purposes. Interaction includes communication or interpersonal contact between investigator and subject. *Private information* includes information about behavior that occurs in a context in which an individual can reasonably expect that no observation or recording is taking place, and information which has been provided for specific purposes by an individual and which the individual can reasonably expect will not be made public (for example, a medical record). Private information must be individually identifiable (i.e., the identity of the subject is or may readily be ascertained by the investigator or associated with the information) in order for obtaining the information to constitute research involving human subjects.

Thank you for your concerns about protecting the rights and welfare of human subjects.

A copy of your protocol and a copy of this letter will be maintained in the HSIRB files.

1903 W. Michigan Ave., Kalamazoo, MI 49008-5456
PHONE: (269) 387-8293 FAX: (269) 387-8276
CAMPUS SITE: 251 W. Walwood Hall

Appendix E

Bookstore Open Comment Responses

Appendix E

Bookstore Open Comment Responses

Research Question 12: Please share your thoughts regarding your overall experience with your institution's Bookstore contracted relationship

Responses
1. A good site manager and a positive working relationship with the corporate team. The industry is changing significantly and they vendor is helping us understand its impact.
2. adequate
3. All relationship can look like a self-operated operation if the partnership finanical and staffing arrangement is appropriately structured. With the changing landscape for delivery of instructional materials we like have a big player working with us ot navigate the course.
4. allows the College to include college support donations and creates a strong marketing brand
5. Book busines is one of areas of continual industry tradtions, that contracted option is a good decision because it does reduce risk in changing envrionment
6. Excellent operations, improved service and profitabilty -- very positve experience
7. Excellent Working Relationship.
8. Excellent/Positive experience.
9. Favorable. Positive. Strong image on campus.
10. First contractor was not a good experience; when changed to a different contractor, the experience has been outstanding!
11. Follett does a good job providing bookstore services in a changing and challenging environment.
12. good
13. Good partnership with B&N, very nice physical store space
14. It is collaberative and student focused
15. It is truly a partnership
16. Much happier having it contracted. University doesn't have the expertise or patience to run its own bookstore.
17. Overall experience has been good
18. Overall experience is good. Contracted company has undergone major reorganization during the past 5 years which continues to challenge performance expectations.
19. Relationship with B&N has been very open and positive and has allowed the University to continue providing our students with the resources they need to succeed. Also, B&N has provided capital for a much needed renovation of the campus bookstore.
20. service has been limited
21. Service to students is excellent and that matters most.
22. Should have done this earlier on. Contractor has the expertise and contacts to keep costs lower.
23. So far, we are very pleased. We had significant internal control issues while self operated. The outside vendor has brought an improved professional approach to this

function.

24. The contract provides all the inventory and staffing.The university only handles the facility cost and billing for student accounts.
25. The contractor is an excellent business partner.
26. The contractor provides excellent customer services while being competitive on pricing.
27. The established working relationship my institution has with the bookstore is more of a partnership rather than a contracted relationship.
28. Their expertise and resources available to them are very valuable.
29. They are very responsive and helping us keep costs down while meeting the needs of a variety of constituents
30. They have been a great partner
31. They have had some growing pains, but we expect better results now that they have had a year of experience on campus
32. Too early to tell. Still experiencing growing pains
33. very good
34. Very good.
35. Very pleased with B & N - expertise, customer service, best practices, new book distribution methods all at or above expectations. As with any contracted service, most important driver of success is on-site managment team, ours is top notch.
36. Very satisfied!
37. Very solid relationship
38. We are only now transitioning which is why I didn't answer many of the questions about our current experience. I can answer those in a year or so.
39. We are very satisfied with our partner, operationally, financially and reuptationally.

Note: n = 39, all answers verbatim

Appendix F

Dining Services Open Comment Responses

Appendix F

Dining Services Open Comment Responses

Research Question 20: Please share your thoughts regarding your overall experience with your institution's Dining Services contracted relationship

Responses
1. adequate 2. After years of losing money by self-operating this was one of the smartest decisions made. 3. Again finanical arrangement and local staff are the key to a strong partnership (vs. vendor relationship). It is not "we and they" but rather "us"... 4. As is the case with external contracted partners, so much success depends on the personnel/employees on the team. We have been through highs and lows as individuals in key management roles have moved on, moved up, etc. Response from higher levels of corporate management have also been hit and miss when further addressing local challenges. 5. Challenging as students know other auxiliaries are self-operated while dining is privately managed with workers being unionized employees of the institution 6. Contracted relationships are a two way street that must be followed in order to maintain a healthy and productive relationship. 7. Creating a positive contracting relationship for dining or any other service requires building a positive and trusting partnership. Both parties must understand and support each other's goals of the partnership. Our dining program is built on high quality and outstanding service. We want or students to have a positive dining while understanding that the contractor is entitled to make a return on their investment. 8. Definitely support outsourcing of dining. However, it happened so long ago, the current contract needs some major updates before it is bid out. I support bidding out the contract instead of renewing every year, as the same contractor over the period of so many years tends to get complacent. 9. Dining Hall needs renovations but contractor is excellent 10. Excellent GM and a true partner 11. Excellent/Positive relationship. 12. Generally, satisfied. Financially it's been very rewarding. Service is not as consistent as it needs to be. Working on this. 13. Given that the state's higher education system operates on a low bid prtocol the dining contractor does a nice job of delivering variety, value, and quality. 14. Great partner. Responsive. Forward thinking. Best in the country. 15. Has met the objective 16. I don't oversee dining 17. I don't think we could ever self operate dining services, but our current contractor does moderately well. Of course, everyone will always have an issue with dining. 18. It all comes down to the people - a good team makes it much easier. 19. JUST STARTING A NEW CONTRACT WITH NEW PROVIDER - VERY HAPPY SO FAR 20. Long term relationship between contractor and university 21. Long term relationship with same contractor. 22. n/a 23. no response at this time 24. Our contract is only as good as we set clear expectations for and hold our business partner accountable to. Success is as much our responsibility as it is the business partner's. 25. Our Dining Contract has worked very well here and look forward to a continued relationship 26. Our provider is truest a partner. We appreciate their expertise and innovation on campus. 27. Our university has a unique campus makeup, with five campuses and only 7,000 students. It's been challenging with our current contractor and while services have been satisfactory, they have not blown

us away.

28. Overall experience good, but quality issues still exist
29. Seamless ... The Dining Services Contractor Is Part Of The Auxiliary Services Team
30. Sodexo is a fine company, but they are at the end of their ten year contract and in my opinion have gotten a bit "comfortable" here and should be shown the door
31. The contractor is an excellent and committed business partner.
32. The key to a successful contractor relationship has been a high quality director.
33. The relationship with dining services is only as good as the "boots on the ground", you must have a director of the operations that has their finger on the pulse.
34. The success of a any dining contracted service depends mostly on the relationship between the management of the dining services operation and the university staff who manage the relationship.
35. They exceeded expectation on a Year One relationship and work hard to put Food and Value first for our students.
36. They have and leverage access to a greater pool of resources, specialists and brands. They make a science of maximizing customer satisfaction while having outstanding cost control. Plus they are constantly refreshing dining options and venues and addressing our vegan and health focused groups as we never could in the past. At the same or better price points.
37. this has been a very good working relationship
38. Unique contract presents challenges. Would like to see some financial risk assigned to our contracted provider. Currently exists with University only.
39. Very good.
40. Very similar comments as bookstore - Aramark rates highly in all key areas but ultimate success is driven by top notch on-site mnagement team
41. We are very satisfied with this contract and the improvements made mid-way through the term.
42. We have a great relationship with our current vendor. Their expertise in this field and resources available to them are very valuable!
43. We have been with our current contractor for almost 18 years and our contract ends next year. We are looking forward to going out for bid to develop a new contract, even though we may stay with our current contractor. Due to the extension of our contract and the concessions that were made on the university's part, the students aren't as happy with our current contractor.

Note: *n* = 43, all answers verbatim