

## **Students As Active Partners: Higher Education Management in Germany**

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### **Abstract**

Based on the classification of Higher Education Institutions (HEI) as Non-Profit Organizations and an overview of students' perceptions and self-conceptions, this paper explores different traditional concepts that explain the student-HEI relationship and suggests a new one, which is taken from the business world, the Active Partner concept. Finally, implications for Student Relations Management are discussed. This includes an analysis of the four empirical types of students and of the four phases in the student-HEI relationship.

### **Key Words:**

Higher Education Institution, Non-profit Organizations, Higher Education Management, Student Relations Management, Active Partner, Customer Orientation, Human Capital

## Students As Active Partners: Higher Education Management in Germany

### Higher Education Institutions (HEIs) as Non-Profit Organizations

#### *Classification of NPOs from a German Point of View*

In Germany, the effects of public and non-profit management (*Oeffentliche Betriebswirtschaftslehre*) is considered to be an active field of research in several sectors, one of them being (Higher) Education Management (Eichhorn, 2006: 229). However, how can **Higher Education Institutions (HEIs)** in Germany be classified as non-profit organizations (NPOs)? Schauer (1999, p. 151) has suggested a classification that depends on the organization's ownership. As a result the HEIs in Germany, which are predominantly *Laender* or state-run, are viewed as state-owned non-profit organizations. Still, this distinction between private and public institutions bears a problem. As Anheier and Seibel (1993, p. 9) pointed out: "Why are we willing to grant non-profit status to the University of Eichstaett, which is an independent Catholic university and legally considered a Church foundation, but not to the (secular) University of Cologne, which sees itself as an independent, learned corporation?" (Anheier and Seibel, 1993: 23). Alternatively, the *Johns Hopkins Comparative Non-profit Sector Project* uses the international model of non-profit organization classification (ICNPO). Under this model, the section labelled Group 2 Education and Research, lists higher education level universities, business management schools, law schools, and medical schools as NPOs (Salamon and Anheier, 1996: 12). The classification of HEIs as non-profit is also common in higher education economics (e.g., Rothschild and White, 1990: 34). According to these concepts, German HEIs are understood to be non-profit organizations, regardless of whether they are under private or state ownership.

#### *Customer Orientation in the Non-Profit Sector as the Key to Efficiency?*

Those in business administration and public management usually distinguish between efficiency and effectiveness. Following the **3-E-Concept**, efficiency refers to the relationship between inputs and outputs, whereas effectiveness concerns the objectives and outcomes (Budaeus and Buchholtz, 1997: 332). Broadly speaking, the measure of efficiency includes all of an organization's benefits while reflecting the degree of achievement with regards to that organization's objectives (Eichhorn, 1980: 35; Eichhorn, 2005: 162). This definition is more adequate when discussing the variety of objectives found in the public and non-profit sectors and should also be applied in the context of HEIs, too.<sup>1</sup>

In for-profit organizations, the common objectives are commercial in nature. The business administration identifies customer orientation as one of the key factors in reaching these commercial objectives (Homburg and Stock, 2000: 10). **Customer orientation** can be defined as the systematic analysis of customer expectations and the internal and external implementation of those expectations into both services and interactions in order to establish long-lasting and economically beneficial customer relations (Bruhn, 1999: 10). Many authors emphasize the continuity of these processes, as well as the need for permanent, active implementation (Homburg and Stock, 2000: 11). Relationship marketing, for instance, aims to improve consumer

satisfaction in order to enhance consumer loyalty, which is the base for economic success (Meffert and Bruhn, 2003: 75).

In non-profit organizations, the provision of services requires an **active contribution** from the customer. This creates a situation where the term ‘customer’ is used as a metaphor, even in the context of social services (Knoke, 2004: 74f). In educational services, the customer involvement is even higher, the pupils’ or students’ contribution is essential for all learning.

## **Students’ Perceptions and Self-Conceptions**

### ***Students’ Self-Conceptions in the Higher Education Context***

The traditional role of higher education in the USA stems from the ideas of Thomas Jefferson und Andrew Jackson, who valued it as “the great equalizer for society” (Anderson and Hearn, 1992: 301; Schultz, 1963: 14) and “the passkey to the American dream” (Hearn, 1992: 19) for all citizens (Hearn, 1992: 18f; Levin, 2003: 17; Palfreyman, 2004: 54). H. R. Bowen (1977: 8) summarized the principal functions of higher education as curricular and extracurricular influences on students, research, and public service. In the Anglo-American system, higher education is as important for democracy as it is useful for students and society.<sup>ii</sup>

A “growing culture of disengagement” (Delucchi and Korgen, 2002: 100) amongst students can be identified as students and their parents behave and feel like paying customers (Bowen, Kurzweil, and Tobin, 2005: 386; Engell and Dangerfield, 2005: 49). This self-conception of students as consumers - “consumerism” (Delucchi and Korgen, 2002: 100) – has lead to a growing commercialization of higher education (Bok, 2003: x; Colby, Ehrlich, Beaumont, and Stephens, 2003: 42; Kirp, 2003: 3f; Magyari-Beck, 2003: 70f; as well as the publications that are listed in Engell and Dangerfield, 2005: 13ff). Is this transformation occurring in the same way in Germany?

Fundamental differences are evident in the German system of higher education. Since the times of Wilhelm von Humboldt, the classic German University aims to reinforce the freedom and unity of research and teaching as well as the student’s personal formation (*Persoenlichkeitsbildung*) through science (Jaspers and Rossmann, 1961: 174; Wolter, 1999: 36). Apart from a highly competitive period in the late 19th century, German HEIs have been characterized by strong ministerial administration since the 1960s, which has resulted in low competitiveness and a homogenous quality level (Ashby, 1959: 33; Opitz, 2005: 22; Wolf, 2002: 170 and 217f; Wolter, 1999: 30 and 38f). In contrast to the Anglo-American system, German higher education is said to be less flexible with regards to changes and thus less successful (e.g., Armbruester, 2005: 157). In this system, the students’ self-conception is not important to HEIs; however, a new class of students, who select their HEIs consciously, is now emerging (Spiewak, 2005: 50). This new self-conception correlates with the introduction of student fees – which are sometimes enforced by the students themselves who want to improve the service quality by paying (moderate) fees (e.g., Burger, 2004: 7). Two mission statements, from private HEIs in Germany, may serve as examples for the few written documents<sup>iii</sup> concerning the common view regarding students. “The University of Applied Sciences for art therapy defines itself as a joint project of teachers and students.” (Fachhochschule fuer Kunsttherapie Nuertingen, 2004: 1). The

Munich Business School stated that: “Students, professors and lecturers, enterprises, international partner universities, as well as alumni and administrators act as partners in this process of learning, of research, and of personal development.” (Munich Business School: 1). Concerning the second mission statement, it should be noted that the students are named first in the enumeration.

Bearing in mind the historical and international contexts, it becomes apparent that in order to be able to consider students as customers, a complete renunciation of the traditional German university management is required, which simultaneously facilitates the establishment of a new concept.

### ***Higher Education Economics’ and Sociology of Education’s Views on Students***

Higher education economics is dominated by a view of students as investors in human capital. Human capital can be defined as an individual’s embodied knowledge, skills, competences, and other attributes which are above his/her raw labour ability that are relevant to economic activity (Belfield and Levin, 2003: 1; OECD, 1998: 9). Human capital investments (not only through formal education) allow the investor to increase his or her individual productivity and to gain more on the labour market (Arrow, 1973: 193; Schultz, 1971: 18 and 48). In this context, students can be seen as part of society, and as investing in themselves with the objective to reach their personal income-related and/or non-monetary goals. This human capital investment can be beneficial even if there is no productivity enhancing component, as the signalling or screening theory presumes (Arrow, 1973: 194; Blaug, 1985: 21; Layard & Psacharopoulos, 1974: 986). Furthermore, those in education economics also admit that education is considered both consumption and investment (Blaug, 1976: 16f). OECD aims to define the relevant levels and types of abilities, which are necessary for employability, as central elements in knowledge-based societies (Healy, 2000, p. 27 f.). In a public higher education system, the migration of highly skilled persons can be problematic, especially if they leave the country they were educated in. This phenomenon has become generally known as ‘Brain Drain’. Great Britain, USA, and Canada are aware of the importance of enacting an active ‘Brain Gain’ strategy in order to attract, in particular, highly skilled, young scientists as well as those in other professions (Scherer, 1999: 111; Straubhaar, 1999: 249).

The economics of higher education does not focus on the relationship between the single student and the single HEI, which is becoming more and more important in the actual context. The sociology of education focuses on individual choices which are based on expected values with regards to a certain education level (Becker, 2003: 3).<sup>iv</sup> These models assume a utility maximizing behaviour among the students/pupils or their parents as well as integrate the influences of social class (Becker, 2003: 13f; Boudon, 1974: 29ff). Both fields of educational research, however, neglect the reciprocal connection, which is the topic of the following section.

### **Analysis of the HEI-Students Relationship**

#### ***Traditional and Current Proposals: Students as Customers?***

Students hold a very special position in the organization of a ‘university’. Yet how is it that they can be integrated into their respective governance model? Furthermore,

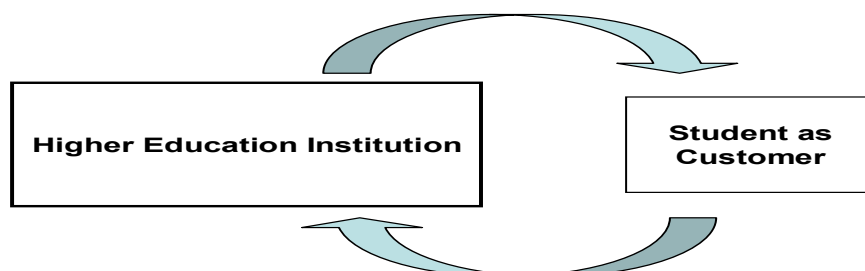
what is, or should be, their role or function within the institution and its processes? Very often, authors evade these questions by merely describing students' activities and thus circumscribing their role, by simultaneously using two or even more terms<sup>y</sup>, or even by asking questions without answering them ("Are students really customers?"). The need for one single, concise term is obvious. Once found, a term like this will help to clarify the relationship between students and professors, on the one hand and the relationship between students and the university as a whole, on the other hand. Economic concepts can be more easily put into practice if the term is actually an analogy from the business world.

First, we must discuss the comparisons amongst other non-profit organizations. Secondly, we must consider the marketing approach. The third field to be covered, before finally presenting our own concept, is the production theory. The concept itself will be presented in Ch. III.2.

One might attempt to compare students at HEIs to members of other non-profit institutions such as hospitals, prisons, or lower level schools. However, these analogies hardly bear comparison and therefore are of minor practical use. First of all, most patients stay in hospitals shorter than the time it takes a student to reach a degree. Moreover, patients are not as actively involved in the process of convalescence as students are in studying. The term in-mate is too negatively connoted and its prescribed role bears little resemblance with the student's role, since a student is free to choose the organization he/she attends (apart from the universities' student selection procedures) and can leave it whenever he/she wants to. Lastly, unlike pupils, students at HEIs are not solely (at least from the German point of view) recipients of knowledge but also contribute to it.

Marketing experts like to view the students as clients or customers and they themselves scrutinize higher education as producing more or less well-informed consumers (Wolf, 2002: 202f). This view implies that the student and the HEI are two separate entities. Demand and supply determine each other in this relationship. While the student has a certain demand for study programs, the HEI is on the supply side, as the following figure illustrates:

**Figure 1: Supply and demand in the 'student as customer' - paradigm**



In terms of the consumption aspect of higher education, outcomes exist that rely on consumer satisfactions with regards to the students (Bowen, 1977, p. 442). However, there are strong arguments against the validity of this view. Students cannot solely be considered as consumers because they do not only consume, they also invest in themselves and in society. With regards to the investing and personality forming portion, the service character is not applicable, therefore the label of consumer is

misleading (Geissler, 1993: 85). Additionally, the access to HEIs is not based on purchasing power but rather on merit (Rothschild and White, 1990: 16). To instead use the term “professional clients” (Engell and Dangerfield, 2005: 49), still does not change this view. This is because, for much of the same reasons, two related concepts do not hold true. The term “prosumer” (Kotler, 1986a and Kotler, 1986b), which can be interpreted as an alleviated version of the consumer, should not be applied in the university context either. It is a combination of producer and consumer and describes people who prefer to produce some of the goods and services they consume instead of purchasing standardized, mass-customized products. Three of the four characteristics of these “prosumption activities”<sup>vi</sup> do not hold true with regards to studying. Studying does not promise high cost savings, does not require only minimal skill, and it does consume substantial time and effort. Only the hopeful yield of personal satisfaction—occurs as a result. Kelley, Donnelly, and Skinner (1990: 316) followed the idea of conceptualizing the consumers of service organizations as ‘partial employees’. This succeeds in coming closer to the idea of students actually being temporary members<sup>vii</sup> of their university and might even tie together the three concepts of students as customers, as products and as employees, as Hoffman and Kretovics (2004: 110) suggest. While the quality of the relationship relies on the consumer’s confidence in the organization and the familiarity of the relationship, an organization’s own employees are considered to be the key to customer orientation (Homburg and Stock, 2000: 17; Meffert and Bruhn, 2003: 199 and 207). Despite the advantages of a perception that holds students as employees, the investment aspect of being a student is nevertheless neglected.

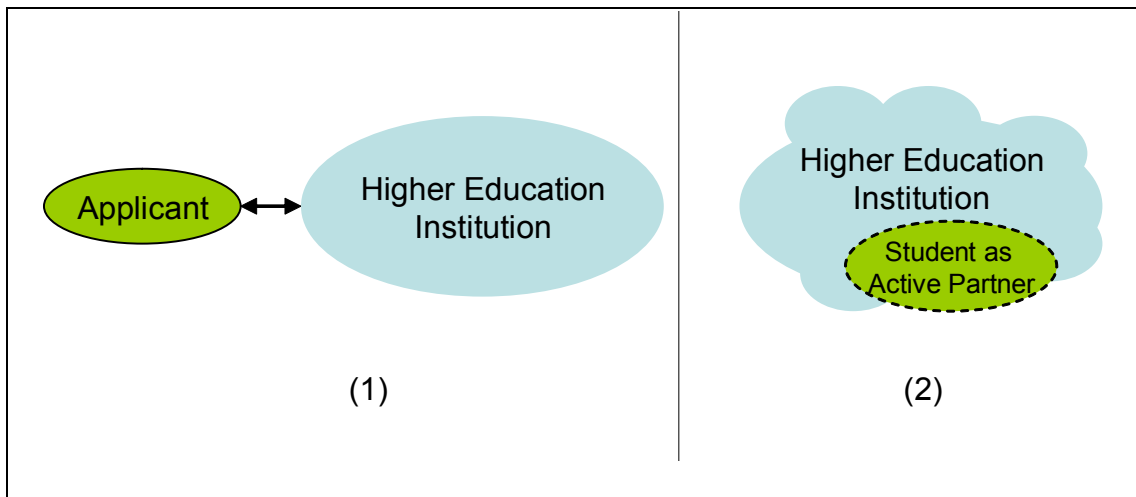
There have been numerous attempts to transfer terms from the field of production theory (a survey over these concepts offers Hermanns, 1985: 95f). However, they vary in the role they assign to the student. Brockhoff (2003: 8) intended students to play the role of external factors whereas the professors are the internal factors in his model. Hermanns (1985: 96) also used the term external factor to describe students. Bolsenkoetter (1977: 386) opposed that classification: he stated that students are not to be seen as factors of production but as recipients of the output. Rothschild and White (1995: 576, put into bold print by the authors) tried to reconcile these two views: "We consider a quite general model that treats students explicitly as inputs into the educational process and also as the recipients of outputs." This leads to Spoun (2006) who put forward the idea of the ‘co-producer’. A co-producer is one who receives parts of the output and has less responsibility than the actual producer. Production theory is certainly useful in emphasizing the joint production of professors and students, but the reward factor, which usually falls to the company owner, constitutes a problem. In the case of higher education, the students produce an improved version of their pre-study self, i.e. a more learned person, with a wider range of skills and knowledge, and therefore better employment chances. Society benefits from positive externalities. The returns on the side of the university are of an indirect nature: good students raise the institution’s reputation. In rare cases, the faculty may take advantage of students’ research results, e.g., through Bachelor’s or Master’s Theses.

### **Students as Active Partners in HEIs**

As human capital theory suggests (cf. Ch. II.2), students are investors and are sovereign in their choice among the competing universities (Oberender and Fleischmann, 2003: 102). Based on this understanding, we consider the partner concept to be in the context of a partner in a firm, as an adequate term. It should be

emphasized that, due to the active role the students play, they are to be conceptualized as Active Partners (in opposition to dormant or sleeping partners). This image implies that all partners are on par, within the bounds of possibility.<sup>viii</sup> The additional meaning in the German word for partner gets lost in translation. *Teilhhaber*, an old-fashioned term for *Gesellschafter* (associate, partner), describes a person who owns a part of something, usually a business ('er hat teil' means 'he has a part'). Hence, he/she is inside the organization and therefore is a member (in contrast to the mere *Teilnehmer* (participant) who only takes part in something and is thus outside the organization).

**Figure 2: Relationship between Student and HEI Before (1) and After (2) Enrolment**



Part (1) of the figure describes the pre-enrolment phase when both the student and the HEI exchange information and use screening and signalling mechanisms. The student tries to gather as much information about the universities as possible. By relying on the institution's reputation and its assumed quality, he/she aims at making a good choice. He/she forms an opinion about the right institutional choice by comparing programs, tuition fees, and teaching staff. The universities, however, attempt to assess their potential students as well. For this purpose, they consider grades, test results, teachers' recommendations, and personal interviews.

Part (2) shows the constellation between student and his HEI in the Active Partner paradigm after the student's enrolment, i.e. during and after studying. The student has become part of his or her university, and has at the same time re-shaped it. The parting line between the Active Partner and the HEI blurs as both parties simultaneously change themselves and each other. As more students join the community, it will grow and react flexibly to their individual characteristics.

In this community, all partners take equal responsibility for their behaviour, which includes actions that concern the public image. Two German private universities, the Hertie School of Governance (2005) and the Leipzig Graduate School of Management (1997) explicitly mention the duties of the students in their respective charters: "The students are obliged to act in such a way that the prestige of the university is preserved and enhanced."<sup>ix</sup> This notion comes very close to the Active Partner concept.



## **Efficient Student Relations Management**

### ***Systematic Evaluation of Students' Objectives: Empirical Evidence***

To compel customer orientation - or better Active Partner orientation - in terms of strategic positioning, a systematic evaluation of the students' objectives is necessary. In a 2004/2005 empirical study, nearly 1,500 German students, at state owned and private higher education institutions, were surveyed concerning their college major and institutional choice (Spraul, 2006).

A primary explorative factor analysis could extract seven dimensions of college major choice: monetary rate-of-return to higher education, non-monetary rate-of-return to higher education, social rate-of-return to higher education, interest in the field of study, choice of occupation, consumption value of higher education, and risk minimization. Then, a second explorative factor analysis was used to extract dimensions of a HEI's quality – it resulted in five factors: potential quality, teaching quality, additional quality, interaction quality, and rate-of-return to higher education. By means of a cluster analysis, these seven and five factors resulted in a student typology of five student clusters which will now be discussed.

The group of “Quality-oriented Idealists” mainly follows the objectives of non-monetary rate-of-return to higher education and social rate-of-return to higher education. They are driven by interests in the field of study and the consumption value of higher education. Concerning the quality of higher education institutions, they tend to focus on potential quality, teaching quality, additional quality, and interaction quality. To sum up, this group might be characterized as the ideal student of the classical German University, which is consistent with having liberal arts as the dominating major.

The second group of non-monetary oriented students are the “Occupational Climbers”. Their dominating objective is the choice of occupation, while the most important quality dimension is teaching quality. These students often face family commitments and can typically be found in further education departments at private HEIs in Germany.

In contrast to these two groups, the “Rate-of-Return-Maximizing students with elite-conception” tend to gravitate first towards the monetary rate-of-return to higher education and then to the social rate-of-return to higher education and finally to the choice of occupation. To judge a university's quality, these students use additional quality, interaction quality, and rate-of-return to higher education as quality dimensions. This quality perception shows the general preference for private HEIs and Ivy League or Oxbridge institutions.

Another type of student also focuses on monetary rate-of-return to higher education, that is the “Reputation-oriented Pragmatists”, however they also aim at the consumption value of higher education. The quality dimensions are the rate-of-return to higher education, the reputation of the HEI, and regional immobility. One could say these students are anchored in the German tradition, but at the same time the rate-of-return to education is becoming more and more important to them.

The fifth type of students are the “students without objectives, without quality-orientation”. Since they neither show a preference for certain quality dimensions nor follow a certain objective with their studies, these students should not be the main focus of higher education management. As a result, the previous four types can be analysed concerning the applicability of the Active Partner concept.

**Table 1: Traditional and Potential Self-Conception According to Student Types**

	<b>Traditional self-conception</b>	<b>Potential of the Active Partner concept</b>
Quality-oriented Idealists	Part of the scientific community	Active Partner is consistent with the attachment to the Higher Education Institution and might add an orientation towards investment behaviour.
Occupational Climbers	Investor	Active Partner reflects the consciously chosen major and institution and is consistent to the students' self concept.
Rate-of-Return-Maximizing students with elite-conception	Paying customer	Active Partner could make clear which boundaries of consumer orientation exist in Higher Education.
Reputation-oriented Pragmatists	Student	Active Partner might evolve a stronger attachment to the institution and could enhance the regional ties.

Table 1 shows how the traditional and potential self-conceptions differ according to the four relevant student types. The Active Partner concept is able to integrate all of the traditional self-conceptions and can reflect their individual peculiarities because of its flexibility. Besides, the HEI's quality should be enhanced due to a better response to the Active Partners' objectives.

### ***Implications for Student Relations Management: From the Selection Process to Alumni Management***

What exactly does this new concept mean, in terms of changes, for the students? As Ch. IV.1 has shown, the Active Partner concept can be applied to all four relevant types of students. This chapter discusses, in a more general way, the implications that the concept will have for managers of HEIs. There are four typical phases in the student-HEI relationship: the target group definition, the selection process, the actual study phase, and the alumni phase.

Referring to the four student types, HEI managers must first of all decide which of the four class types they want to attract. In terms of strategy, these would be considered the target groups. Each type of student requires a different marketing approach. The Quality-oriented Idealist would want to be part of the scientific community and thus needs to be convinced that University A offers more matching peer groups of Active Partners for him or her to relate to, than University B would. This might be achieved through personal interaction, i.e. by recommendations of friends or family or by arranging open-house events. The Occupational Climber might be the epitome of the Active Partner, but he or she lacks any sense of the consumption value and the value of the student community. Therefore, no major changes in a university's current marketing activities would be required. However, the HEI management teams may want to consider advertising that focuses on the likelihood that a student would actually enjoy the years of study as well as the probability of being able to take

advantage of the university community, e.g., through networking. The elitist Rate-of-Return-Maximizing Students prefer to see themselves as paying customers. Usually, high gloss brochures which pitch the advantages of attending University C rather than University D would appeal to them. Another, more effective, way of positively influencing a student's choice may be to hold counselling interviews with faculty in order to avoid disappointment and "customer" dissatisfaction after enrolment. Regional aspects have great impact on the Reputation-Oriented Pragmatists' choice. Nevertheless, they tend to rely on university rankings, to a great extent, in order to discover which of the HEIs in their region has an excellent reputation. Since the Pragmatists are reluctant to relocate themselves and will only consider HEIs within a certain radius of their own home town, the HEIs must try to make themselves noticed through local newspapers, TV, or radio programs. HEIs need to point out their regional advantages and their ranking positions in order to meet this type's ideal wants and needs.

The selection process or pre-enrollment phase implies a mutual selection on behalf of both parties. The student selects his or her university of choice and vice versa. (This process has been described in detail in Ch. III.2.) In short, potential students choose between different institutions, in terms of certain principles, while the universities simultaneously look for suitable applicants to fill available spots. However, state-run German universities were only recently granted the right to be selective of the students they accept.<sup>x</sup> Before the laws were changed, applicants could freely choose to attend their favourite university in many subject areas, whereas special subjects, such as medical studies, were always regulated and had a limited number of available places that could be filled by incoming students. Private HEIs have always been an exception to this rule, and as a result many of them have had experience in terms of selecting the right students. Other private HEIs have been met with less demand since they charge tuition fees while state-run HEIs have not been allowed to (and still not all of the *Laender* have adopted the terms of the according laws).<sup>xi</sup> With the changing of these rules and regulations, it is even more important for universities to build up an adequate student selection system from the start.

When it finally comes to choosing the right students out of the group of applicants, a balance between homogeneity of learning ability and diversity should be established in order to enhance the efficiency of learning and to widen the students' horizons, as well as to enhance the efficiency of the HEI as a non-profit organization (Rothschild and White, 1995: 12f). The Active Partner concept allows for diversity. Unlike the business world, the criterion for selection is not based on financial power but rather it is based on brain power and commitment. Students must display the will to engage themselves both in their study and in their new community. Vice versa, the university must demonstrate why the investment is promising for the student. Therefore, consumerism can easily be avoided in this phase.

In the actual study phase, the main challenge for HEI managers is to convey to the students the idea that they, as Active Partners, are considered to be both investors and 'inside of the community' (not outside as a customer would be). The changes in self-conception have been analysed in Ch. IV.1 and summarized in Table 1. The continuative question remains to be: which changes need to be triggered within the faculty as a result? HEI managers will have to pay special attention to this since it is their responsibility to initiate the necessary development processes among professors, lecturers, and administration staff. They will have to make new Active Partners feel welcome in their community and they must be willing to integrate them for the time

being. The Active Partner concept involves interaction between faculty and students, and they will have to adopt a less passive and less consumption-oriented attitude in order for it to work. Professors and lecturers can foster this development by applying more interactive teaching methods. The staff must also be aware that they are, to a certain degree, responsible for the Active Partners' investments. Students spend a lot of time and money on their education and expect to achieve certain monetary and non-monetary goals in return. In order to enhance the "ownership" character of the Active Partner concept, a transparent system of accountability should be established.

Graduation should not mark the end of the student-HEI relationship. Alumni Management has long been neglected by German HEIs because there was simply no urgent need to pay any attention to it. Now that HEIs depend on fundraising to a greater extent, the interest in alumni programs is growing. Still, it is not necessarily the case that an HEI establishes an alumni club. Among the almost 400 HEIs<sup>xii</sup> in Germany, only 284 feature an alumni organization (Alumni Clubs, 2006). In the Active Partner concept, fundraising should not be the primary motive for alumni work, even if "the hope for future donations" (Heckman and Guskey, 1998: 98) is self-evident. Heckman and Guskey (1998: 98) enumerated some of the HEIs' various motives for engaging in alumni management. It was discovered that: "Many universities depend on alumni to serve on advisory boards, assist in capital campaigns, talk to prospective customers (students and parents), provide cooperative education and employment opportunities for students and graduates, etc."<sup>xiii</sup> The umbrella term 'collaborative behaviour' (Heckman and Guskey, 1998: 98) is used to describe these kind of activities, especially if they are based on volunteerism and are not remunerated. Collaborative behaviour is similar to the behaviour of the so called "good soldiers" or "good citizens", and it comprises three elements: it goes above and beyond the formal role, it contributes to the effective functioning of the organization, and it is performed with no prospect or direct reward (Heckman and Guskey, 1998: 98). In terms of alumni, the following characterizations tend to apply: staying committed to their alma mater is more than is expected of them currently (it is, however, a part of the Active Partner concept); staying committed is vital for the university as has been stated above; and the rewards are indirect and delayed. Alumni invest in and benefit from the social networks which are created. They contribute to the organization's reputation and in doing so receive a broad network of Active Partners.

## **Conclusion**

We have arrived at the conclusion that the Active Partner concept can effectively be transferred from its original business context to higher education management. Different types of students can be integrated into the concept and even tap their full potential as students as a result. It has also been shown that the concept generates useful ideas for target group definition, selection processes, the actual study phase, and also for alumni management. Thus, the use of the new term might help German HEIs to better deal with the heavy changes being implemented in the higher education system.

## **About the Authors:**

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## Endnotes

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- i As Blaug (1976: xviii) pointed out, “the peculiarities of the educational system considered as an industry (is it really possible to call it an ‘industry?’) would in itself justify special economic treatment”.
- ii Gould (2003: 3) spoke of “a broad mission that serves both the individual and society while implicitly seeking to support democratic institutions and a market-driven economy”. Rosenstone (2003: 57) described the focus on usefulness in these words: “It’s become passé to talk about love of learning and learning for learning’s sake. Education must be practical”.
- iii As an example for the avoidance of any other term for students view the letter to the students from the Department of Education and Science (*Wissenschaftsministerium*) in *Baden-Wuerttemberg* on the occasion of the student fees’ introduction. (Frankenberg, 2006).
- iv The predecessors are Becker’s human capital model; Breen and Goldthorpe, 1997: 279ff; Erikson and Jonsson, 1996: 14.
- v Eichhorn (2001: 4) suggested customers and members (“Sind die Studierenden nicht bloss Kunden, sondern auch Mitglieder der Universitaet?”). Rothschild and White (1995: 576) talked about “inputs into the educational process” and “recipients of outputs”.
- vi “Prosumption activities that are likely to attract consumers will have four characteristics. They would promise high cost saving, require minimal skills, consume little time and effort, and yield high personal satisfaction.” (Kotler, 1986b: 511).
- vii From an institutional point of view, students are members of the corporate body as long as they are enrolled.
- viii One might want to conceptualize the model as a *Gesellschaft des buergerlichen Rechts* (non-trading-partnership under the Civil code) where all partners are liable. In the context of Higher Education, liability can be understood as a responsibility for the community, its outcome and its reputation. This includes both spill-over effects and sponsorship effects (Anderson and Hearn, 1992: 315; Blaug, 1976: 108).
- ix “§ 19 (2) Die Studierenden haben die Pflicht sich so zu verhalten, dass das Ansehen der Hochschule gewahrt und gemehrt wird.” (Hertie School of Governance, 2005: 10). “§ 9 (4) Die Studierenden der Handelshochschule Leipzig haben sich so zu verhalten, dass das Ansehen der Hochschule gewahrt bleibt und gemehrt wird.” (Handelshochschule Leipzig, 1997: 6).
- x In 2004, these changes were realized in the 7th amendment to the *Hochschulrahmengesetz*, the Framework Act of Higher Education, and put into practice in fall 2005 for the first time. Still, universities can only choose 60 percent of their students while the rest of the places are automatically assigned by grades and by elapsed waiting time.
- xi The umbrella organisation of the 61 Student Unions in Germany, the *Deutsches Studentenwerk*, provides a synopsis (Deutsches Studentenwerk, 2006).
- xii The *Bundesministerium fuer Bildung und Forschung*, the Federal Ministry for Education and Research, counted 370 HEI in 2003 (Bundesministerium fuer Bildung und Forschung, 2005: 276), the *Hochschulrektorenkonferenz*, the Association of Universities and other HEI, currently lists only 337, (Hochschulrektorenkonferenz, 2006).
- xiii Heckman and Guskey (1998: 98) actually called students customers, but their findings can be modified to fit the Active Partner concept.

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