PRECARIOUS VALUES AND MUNDANE INNOVATIONS: 
ENROLLMENT MANAGEMENT IN AMERICAN 
LIBERAL ARTS COLLEGES

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Drawing primarily from Selznick’s institutionalism, we make a general case for renewed attention to the “mundane administrative arrangements” that underlie the organizational capacity for value realization and a particular case for the study of value-subverting management innovations. An empirical study of “enrollment management” in liberal arts colleges reveals this ostensibly innocuous innovation’s value-undermining effects and identifies the organizational and environmental factors that have made these venerable organizations more or less susceptible to its adoption.

The lesson is this: Those who deal with the more obvious ideals—such as education, science, creativity, or freedom—should more fully recognize the dependence of these ideals on congenial though often mundane administrative arrangements.

-Selznick, 1957: 14

In the middle decades of the last century, Philip Selznick and his colleagues developed their institutional theory of the organization. This theory drew attention to the previously undocumented phenomenon of “value infusion” and portrayed formal organizations as the primary structural “vehicles” through which various social values were pursued (Selznick, 1943, 1949, 1957, 1996). Recognizing the critical role that organizations played in the promotion and protection of many societal values (e.g., “education, science, creativity, and freedom”), Selznick and his peers built a research program in which they aimed to address two distinct but integrally related questions. Specifically, they set out to identify the factors that tended to make organizational values either precarious (and thus subject to attenuation and displacement), or else secure (and therefore capable of being sustained over time) (Clark, 1956, 1960; Gusfield, 1955; Messinger, 1955; Selznick, 1949, 1957; Zald & Denton, 1963; see Perrow [1986] for a review).1

This early institutional research produced a number of enduring insights and also laid the empirical and theoretical foundation for the entire body of work that Selznick would develop over the course of his long career. In the preface to his 1992 magnum opus, The Moral Commonwealth, Selznick observed:

Most of my specialized writings in the sociology of organizations and the sociology of law have been preoccupied with the conditions and processes that frustrate ideals or, instead, give them life and hope.

Both Selznick (1992, 1996, 2000, 2008) and his contemporary interpreters (Heclo, 2002; Kraatz, 2009; Krygier, 2002, 2008; Lacey, 2002) have noted that this highly distinctive and dual-edged master theme first emerged in his early organizational studies, particularly TVA and the Grass Roots (1949) and Leadership in Administration (1957). In the former, Selznick revealed formal organizations to be “recalcitrant tools” that often fell victim to goal displacement and failed to realize their initial

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1 Selznick explained his conception of values thusly: “‘Value’ is not used here in a very general sense, such as ‘object of interest,’ but rather to denote something which in the given organization is taken as an end in itself” (1957: 57). This is consistent with other definitions in the organizational literature (Amis, Slack, & Hinings, 2002; Enz, 1988).
purposes. In the latter, he put forth a more prescriptive statement of the same theory, one that highlighted the positive aspects of institutionalization and also identified various structures and tactics that could be used to forestall goal displacement and value attenuation.

Although Selznick’s theory fell out of favor for a number of years as the more cognitive and field-focused neoinstitutional perspective rose to prominence, Selznick has subsequently enjoyed a significant resurgence (Greenwood & Hinings, 1996; Hirsch & Lounsbury, 1997; Stinchcombe, 1997). Institutional scholars have evinced a renewed interest in organizational values, and a parallel concern with processes of value change and subversion (Amis et al., 2002; Brint & Karabel, 1991; D’Aunno, Succi, & Alexander, 2000; Hinings, Thibault, Stack, & Kikulus, 1996; Kraatz & Zajac, 1996; Oliver, 1992). Contemporary institutionalists have also devoted a great deal of recent attention to intraorganizational conflict and to the strategic work that is involved in building, sustaining, and changing institutions (D’Aunno, Sutton, & Price, 1991; Heimer, 1999; Kraatz & Block, 2008; Kraatz & Moore, 2002; Lawrence & Suddaby, 2006; Oliver, 1991; Zilber, 2002). Selznick—who cast the “institutional leader” as the central actor in his value-centered, change-focused, and thoroughly political theory of organizations—has been cited as an important influence in much of this work.

The overarching purpose of the present study is to contribute to this ongoing revival and to further the reconciliation between Selznick’s institutionalism and the now-dominant neoinstitutional perspective. We aim to do this in two related ways. First, this study recovers a critical aspect of Selznick’s theory that appears to have been largely overlooked in most recent efforts to revisit the perspective. Building from Selznick’s opening quote, we explain why organizational values do, in fact, frequently depend on the existence of “congenial though often mundane administrative arrangements.” We then go on to show how these same values can be subverted as organizations adopt new and ostensibly innocuous innovations that promise to solve their technical and administrative problems. This demonstration represents a significant addition to recent scholarship, which has tended to focus on agency, politics, and interinstitutional conflict as the main mechanisms through which organizational values change, while saying much less about adaptive and evolutionary processes (which were also a major focus of Selznick’s theory). Second, the study develops an integrative theoretical and empirical model that explains organizations’ propensity to initially adopt (or, instead, presciently reject) value-threatening administrative innovations. This model draws both from Selznick’s theory (with its insights about the organizational and local environmental factors that tend to make values more precarious or secure) and from the contemporary neoinstitutional perspective (with its core insights about innovation diffusion processes and the causal role of the broader environment).

The empirical context for our research is American higher education, a sector comprising organizations that serve important and readily apparent social values. We focus more specifically on liberal arts colleges, a well-established subgroup of organizations in the higher education sector, with an average age of more than 100 years. These colleges tend to be particularly self-conscious about their values and missions and have previously been portrayed as archetypal Selznickian institutions (Clark, 1970; Kraatz & Zajac, 1996).2

The administrative innovation of concern is enrollment management. This innovation (which is frequently abbreviated as EM) is both an administrative structure and a set of accompanying practices that have come into wide use over the past two decades (Dolence, 1998; Hossler, 1984, 2004). The structural aspect of EM involves the consolidation of various administrative functions that affect enrollments (most typically the admissions and financial aid offices). These merged units are usually placed under the control of a new administrative officer who is given a title such as “vice president for enrollment management.” Though the practice of EM is varied, the “strategic” use of financial aid appears to be its most central element. Colleges engaged in EM purposively allocate financial aid in order to achieve and maintain desired enrollment levels, attract top students, and fulfill financial objectives. This work (often called “tuition discounting”) is made possible both by the removal of the structural barrier separating the admissions and financial aid offices and by the creation of an integrating administrative position (Hossler, 2004; Russo & Coomes, 2000).

Drawing from Selznick’s theory, we will explain why enrollment management poses a predictable

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2 Liberal arts colleges are small, privately governed institutions that typically provide only undergraduate education and grant most of their degrees in the liberal arts and sciences. They are distinct from state-funded institutions, and from other private institutions that offer a broader array of graduate and undergraduate degree programs. The higher education literature indicates that enrollment management has had sizeable consequences for these organizations (Redd, 2000).
(if incipient and often unrecognized) threat to established organizational values. Specifically, we emphasize that the EM structure undermines the autonomy of key internal elites and thereby lessens their ability and inclination to “defend the values entrusted to them” (Selznick, 1957: 94). We also argue that EM allows market values to unobtrusively penetrate a college and provides these values and their advocates with a structural and political foothold inside the organization. We buttress these theoretical arguments about EM’s prima facie significance for organizational values with evidence from previous higher education research documenting its longer-term consequences for organizational value attainment. Studies have shown that “strategic” financial aid policies strongly favor middle-class students with a greater ability to pay, thereby undermining equal access to higher education (Baum & Lapovsky, 2006; Davis, 2003). They have also shown that rapidly growing enrollment management expenditures have consumed a growing percentage of colleges’ budgets and diverted scarce institutional resources away from core academic areas such as instruction and academic support (Goral, 2003; Redd, 2000).

Having established the institutional significance of this outwardly mundane innovation on both logical and empirical grounds, we return to our core task of identifying the factors that have made individual colleges more or less susceptible to its initial adoption. In developing our hypotheses, we locate causal influences that lie both within an organization (e.g., in its history, internal power structure, and leadership) and outside it (e.g., in its competitive relationship with other organizations and its broader cultural environment). In so doing, we effectively “situate” Selznick’s organizational institution in its broader environmental context and show how larger field-level trends can penetrate an organization, disrupt its internal normative and political order, and thereby affect its capacity for value realization. We test our integrative theoretical model in an event history analysis tracing the initial adoption of the enrollment management structure in a sample of 515 private liberal arts colleges over the period 1987 through 2006.

THEORY: PRECARIOUS VALUES AND MUNDANE INNOVATIONS

Institutions embody values, but they can do so only as operative systems or going concerns. The trouble is that what is good for the operative system does not necessarily serve the standards or ideals that the institution is supposed to uphold. Therefore institutional values are always at risk. Insofar as organizational, technological and short-run imperatives dominate decision-making, goals and standards are vulnerable. They are subject to displacement, attenuation, and corruption. (Selznick, 1992: 244)

Our study adopts an essentially Selznickian theoretical frame. Our core concern is with “understanding the fate of ideals in the course of social practice” and shedding additional light on the organizational “conditions and processes” that affect this fate for better and worse (Selznick, 1992: xi). We have suggested that other scholars who are interested in these same general questions might profit from renewed attention to the prosaic structures and practices that serve to either support or undermine values (Clark, 1956; Selznick, 1957). We have also identified a particular need for research examining the factors that make organizations more or less impervious to the adoption of value-threatening administrative innovations. The rationale behind these core arguments rests on two Selznickian premises.

The first premise is that values need congenial, sustaining social structures if they are to be realized, even partially. As earlier explained, this is the most central idea in Selznick’s institutionalism and the cornerstone of his larger social theory. In Leadership in Administration, he suggested that organizations can (and should) “embody” institutional values and repeatedly emphasized the need to build values “into the social structure of the enterprise” (1957: 90). The book elaborates many of the ways in which this can be done (e.g., through socialization, selective hiring, creation of participative decision-making structures, and formulation of socially integrative mission statements). It also gives detailed attention to the value-sustaining role of formal organizational structure and places a particular emphasis on the role played by “elites” therein. Selznick portrayed these internal elites as institutional “guardians” and stressed that they need to be granted sufficient power to “defend the values entrusted to them” (1957: 94). He also expounded upon the need for elite autonomy, a partially distinct concern that we discuss in more detail below.

3 In the context of his theory, Selznick defined an elite as “any group that is responsible for the protection of a social value.” He noted this: “There would be no great harm in substituting the term ‘profession’ or ‘professional group’ for ‘elite’” (1957: 120). As the definition makes clear, these “elites” do not necessarily occupy high-status positions.

4 Knudsen (1995) insightfully characterized Selznick’s perspective as a “constitutional” theory of the organiza-
The second premise, also well reflected in the quote from Selznick that begins this section, is that organizations are not just embodiments of institutional purpose or vehicles for the pursuit of high ideals. They are also “operative systems”—bureaucratic entities with their own prosaic and recurrent problems that can be expected to follow their own distinct (and often narrowly technical) rationality in attempting to solve these problems. Though problem-solving efforts may take many different forms, changes in the design of an organization itself are high on the list of available options.

Taken together, these two premises reveal an important and abiding paradox: Values are manifestly dependent on the existence of sustaining structures, yet these values do not inevitably come to bear upon organizational design (and redesign) decisions. To the contrary, there is a demonstrable tendency for organizations to alter their structures and practices in response to “organizational, technological, and short-run imperatives” emanating from their operative systems. As such changes occur, values that had been effectively “built into” the social structure of an organization are at risk of being removed, and previously grantedautonomies are in danger of being revoked. New values and commitments—ones that are not necessarily desirable for the organization as a whole—may also find a place in its internal social structure as a result of these ordinary and ongoing adaptation processes.

It is because of this fundamental paradox that Selznick emphasized the need to construct formal organizations that thoroughly embodied institutional values, from their core governance structures all the way down to their “mundane administrative arrangements.” The same paradox is at the root of our expressed concern with prosaic management innovations. Colleges, hospitals, charities, government agencies, and other organizations that aspire to achieve important social goals routinely adopt “rational” and “progressive” administrative innovations designed to improve efficiency and achieve other operative system goals (Birnbaum, 2000; Burns & Wholey, 1993; Fiol & O’Connor, 2003). We believe that these innovations may often have unforeseen and undesired consequences that frustrate the realization of organizational values. We also believe that the ostensibly innocuous and purely technical nature of these organizational changes may substantially exacerbate the risk that they pose. Some changes in organizational design (e.g., changes in core governance structures) have obvious implications for values and can be reliably expected to activate internal, value-based resistance for this reason. We cannot, in contrast, safely assume that would-be value “guardians” will always provide this same degree of scrutiny and attention to banal administrative innovations. For these reasons, we believe that it is especially important to document these innovations’ consequences and to develop knowledge about the forces and processes that make an organization more or less vulnerable to their adoption.

**ENROLLMENT MANAGEMENT AND ITS IMPLICATIONS FOR INSTITUTIONAL VALUES**

**What Is EM?**

As noted above, enrollment management is both an organizational structure and a set of accompanying practices (Hossler, 1984, 2004; Ingersoll, 1988). The structural aspect of this management innovation involves the consolidation of various administrative functions that have the potential to affect enrollments and tuition revenues. The admissions and financial aid offices are the two functions that have the strongest and most obvious influence on these outcomes, and the integration of their activities is at the core of most EM initiatives. This integration is facilitated by both the dissolution of the structural barrier separating these functions and the creation of a new administrative position charged with overseeing them both (typically a “vice president for enrollment management”) (Hossler, 1984; Russo & Coomes, 2000).

Because the purpose of these structural changes is to increase coordination among admissions, financial aid, and other relevant functions, EM practices go hand in hand with the structure itself (Hossler, 1984, 2004). The most common enrollment management practice—now so widespread as to be virtually synonymous with the concept—is “tuition discounting.” Colleges engaged in EM strategically allocate financial aid in an effort to: (1) maintain desired enrollment levels, (2) meet financial goals, and (3) manipulate the academic and demographic profiles of their incoming classes (Baum & Lapovsky, 2006; Dolence, 1998). Several observers have noted that the practice of tuition discounting is strikingly similar to airline pricing (Bronner, 1998; McPherson & Schapiro, 1998). Colleges using this practice adjust the “prices” charged to would-be students, just as airlines adjust prices on certain routes in an effort to match utilization with capacity. The key difference is that colleges
make this price adjustment by granting institutionally funded financial aid, rather than by reducing their “sticker prices” (i.e., their published tuition rates). Another important distinction is that colleges using enrollment management are typically concerned with attracting particular students, rather than just paying customers in general. Thus, they generally offer larger discounts to students who are more academically qualified. This particular form of discounting, known as “merit aid,” is a key part of most contemporary enrollment management programs (Heller, 2004; Heller & Nelson Laird, 1999).

Research has shown that enrollment management has spread widely throughout American higher education over the last two decades and that it is particularly prevalent among the small, private institutions that make up our sample (Baum & Lapowsky, 2006). Our own data reveal that 46 percent (239 of 515) of all private liberal arts colleges had adopted an EM structure by 2006. This figure is up from only 3 percent in 1987. Higher education researchers have documented a corresponding increase in the mean “tuition discount rate” within the larger population of private colleges and universities, from 21 percent in 1990 to 39 percent in 2004 (Baum & Lapowsky, 2006; Redd, 2000). Although the macrolevel forces underlying these sharp increases are complex and multifarious, observers have previously explained EM’s spread with reference to a number of larger trends. These include: (1) escalating competition for students and tuition dollars, (2) the emergence of college-ranking schemes and the accompanying obsession with institutional status, (3) declining government support for higher education (particularly in the area of student financial aid), and (4) the larger trend toward marketization that has manifested itself in many different areas of American higher education (Baum & Lapowsky, 2006; Geiger, 2004; Hossler, 2004; Kirp, 2003).

### How Does EM Threaten Institutional Values?

As the preceding discussion reveals, enrollment management is a multifaceted innovation. It is a structure, a set of accompanying practices and, to some extent, a manifestation of a larger cultural trend. Liberal arts colleges, for their part, also have many different values, and these vary appreciably among members of the category. In light of these complexities, we restrict our focus to a few core elements of EM and discuss these elements primarily as they bear on the normative and political order of a typical college. Both our past research on this context (Kraatz & Moore, 2002; Kraatz & Zajac, 1996) and Selznick’s theory of the organizational institution shape our understanding of this internal social order. Throughout our discussion, we buttress our arguments about enrollment management’s prima facie relevance for organizational values with secondary evidence of its indirect and longer-term consequences.

**Internal elites lose autonomy.** As earlier noted, Selznick’s theory of the organizational institution encourages an analyst to see organizational subunits not only as manipulable parts of an organization’s bureaucratic machinery, but also (and indeed primarily) as internal “elites” who often serve as the guardians of important organizational values. The theory emphasizes that these elites often require substantial autonomy if they are to effectively perform their value-protecting function (Clark, 1956; Selznick, 1957: 94, 120–133). Selznick stressed that these groups’ “distinctive aims and standards” are apt to be undermined if they are subjected to strong pressures from their organization’s operative system, or from each another (1957: 120).

These arguments shed much light on the institutional threat posed by EM, and particularly on the problems created by the consolidation of financial aid and admissions units. The autonomy traditionally granted to the former allowed financial aid personnel to perform a set of highly circumscribed duties (evaluating students’ financial need and allocating commensurate levels of aid) in the pursuit of a well-defined and essentially charitable purpose: promoting equal access to higher education. The latter unit’s autonomy likewise enabled admissions professionals to focus on upholding their own “distinctive aims and standards”: evaluating the merits of applicants and making fair and independent admissions decisions.

The consolidation of the two units clearly puts these values and competencies at risk. The intent of the enrollment management structure is to enable

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5 Institutionally funded financial aid comes from a college’s own funds. It is distinct from other, more traditional forms of financial aid, including government grants, foundation-supported scholarships, and subsidized loans.

6 The tuition discount rate is the percentage of total tuition revenues that a college gives back to students in the form of aid. The specific calculation is total institutional aid/total tuition revenues. This is a key metric in the enrollment management field.
financial aid decision makers to allocate scarce institutional resources in the service of enrollment and revenue goals. However, its frequent effect is to venerate these technical goals and to require that they be taken into primary account. This requirement is anathema to the financial aid function’s aforementioned charitable purpose. Higher education economist Michael McPherson has succinctly summarized this transformative effect: “It used to be, providing [financial] aid was a charitable operation. Now it’s an investment, like brand management” (quoted in Kirp & Holman, 2002: 30). The threat to established values appears to run in the opposite direction as well. Under EM, admissions professionals also lose autonomy and are often compelled to heavily weight financial considerations (such as a student’s ability to pay full tuition) as they evaluate applications. These new, structurally induced pressures have led to a number of apparent abuses that have subjected both enrollment management practitioners and American higher education more generally to significant public criticism in recent years (Baum, 2000; Gaudiani, 2000; Green, 2005; Hossler, 2004; Kirp, 2003; Quirk, 2005).7

It would be naïve to think that financial considerations never affected admissions decisions before EM came into wide use, and equally wrong to blame it for all current ills. Nevertheless, it is clear that the new structure takes necessary autonomy away from the admissions and financial aid functions and thus greatly decreases the probability that their respective values will be realized.8 It is also clear that many of the threats latent in the EM structure itself have become manifest in the wake of its diffusion. Among these various manifestations, the most notable (and widely noted) is an epic shift in the pattern of financial aid allocation that has occurred over the past two decades (Ehrenberg, Zhang, & Levin, 2006; Heller, 2004; McPherson & Schapiro, 1998). Over this period, colleges and universities have, in the aggregate, diverted billions of dollars in financial aid away from the neediest students and toward those from higher socioeconomic strata. Researchers, critics, and administrators have directly attributed these shifts to enrollment management. Lapovsky and Hubbell conducted a thorough review of the extensive research on this topic and provided an apt summary of its collective findings: “The enrollment management approach has reduced educational access to the economically disadvantaged while providing financial subsidies to those with the ability to pay” (2000: 19).

Power shifts to the operative system. In addition to undermining the autonomy of a college’s value-bearing elites, enrollment management also alters the balance of power between its normative and operative systems. Selznick identifies a deep-rooted and persistent tension between these mutually dependent but often antagonistic subsystems and actually uses universities as an example in making this tension clear. He specifically warns against confusing “organizational achievement” (operative) with “institutional success” (normative) and notes that a university should not allow “resources, stability, or reputation to become the criterion of [its] success. . . . A university led by administrators without a clear sense of the values to be achieved,” he explains, “may fail dismally while steadily growing larger and more secure” (1957: 27).

Viewed against this theoretical backdrop, EM appears as a clear accommodation to the goals and interests of the operative system of a college. Though the innovation is “mundane” in the sense that it is intended to solve prosaic, administrative problems and is largely indifferent to established purposes and values, it is significant in the sense that it greatly increases the power and resources that are made available for the pursuit of operative system goals. The creation of a cabinet-level enrollment management vice presidency represents an important commitment to the practice (and practitioners) of enrollment management. This commitment has both political and financial implications.

7 Although many enrollment management practices have been criticized, some of the more egregious ones are: (1) financial aid “leveraging,” whereby schools intentionally allocate scarce institutional aid resources to students with a higher ability to pay and thereby maximize their “net tuition revenues,” (2) so-called “admit deny” decisions wherein schools accept qualified high-need students but offer financial aid packages so low as to deliberately discourage matriculation, and (3) the common practice of taking a student’s expressed intention to enroll at a college into account in making financial aid offers (so as to avoid “wasting” financial aid on an applicant who is sure to enroll anyway) (Kirp, 2003; McPherson & Schapiro, 1998; Quirk, 2005). All of these practices are made possible by the breakdown of the barrier between the admissions and financial aid functions.

8 We hope that the significance of this structural change is by now evident; still, one can acquire a greater appreciation for its gravity by imagining the consequences if a college altered its internal “constitution” so as to make its faculty directly responsible for meeting revenue goals, in addition to fulfilling their academic duties.
Although these may not be fully apparent to a college’s faculty or top administrators at the time of adoption, they are precisely the sort of institutional threat that Selznick urged institutional analysts (and would-be institutional leaders) to pay attention to.9

These theory-based concerns about the institutional threat posed by this innovation also appear to be borne out by studies of its longer-term financial and political consequences. Higher education scholars have documented dramatic increases in enrollment management spending over the last 20 years. By 2005, the average private college devoted over 26 percent of its total annual budget to institutional aid expenses (the primary component of enrollment management spending), up from only 11 percent in 1987 (Thomas, Tan, & Hoffman, 2006; Wellman, Desrochers, & Lenihan, 2008). These numbers are telling for at least two reasons. First, they suggest that colleges have grown their budgets for this practice by taking resources away from other core areas. As Hossler has noted, “Providing merit aid and discounting tuition make it hard for institutions to invest enough money in their core business: educating students” (2004: B4). Redd (2000) provided direct, organization-level evidence of this value-undermining effect, showing that mission-critical budget categories such as instruction and academic support tend to be shorted as EM spending increases. Second, the numbers also provide strong (if indirect) evidence of enrollment managers’ growing strategic influence. Decades of organizational research and theory on the sources of intraorganizational power suggest that EM practitioners’ ability to influence organizational policy is likely to grow in direct proportion to their share of an institutional budget (Hickson, Hinings, Lee, Schneck, & Pennings, 1971; March & Simon, 1958; Pfeffer & Salancik, 1978).10

**Market values penetrate the organization.** The preceding paragraphs suggest that prosaic administrative innovations can subvert values by disrupting an organization’s internal normative and political order. However, these same innovations may also threaten institutional values through more exogenous and ideational processes. Enrollment management is, in the final analysis, a structural change that takes place in a particular organization. But it is also a partial manifestation of a larger and more pervasive market logic, one that has affected colleges and universities in many different ways. The ongoing spread of this logic throughout higher education has been widely observed (Bok, 2004; Geiger, 2004; Kirp, 2003; Washburn, 2005), and it partially parallels similar field-level change processes that have been uncovered in previous neoinstitutional research (Lounsbury, 2007; Scott, Ruef, Mendel, & Caronna, 2000; Thornton & Ocasio, 1999; Washington & Ventresca, 2004).

The connection of EM to the market logic is neither incidental nor trivial. Marketing concepts deeply influenced the pioneers of the innovation, and they conceived enrollment management in an explicit attempt to apply these ideas and techniques to higher education (Hossler, 1984; Ingersoll, 1988; Kemerer, Baldrige, & Green, 1982). The contemporary tendency of EM practitioners to apply business metaphors to the academic context has also been widely noted and criticized. Students are often recast as “customers,” financial aid as a “marketing expense,” organizational identity as a “brand,” and education itself as a “product” (Kirp, 2003; Quirk, 2005). Don Hossler, who was one of the architects and early advocates of EM, recently summarized the larger ideational shift: “In some respects, enrollment management is simply one small indicator of the ascendancy of capitalism and the extent to which the market metaphor has taken hold throughout the United States and the rest of the world” (2004: B3). The depth and impact of this cultural change is perhaps even more succinctly captured in the words of one prominent enrollment manager, who matter of factly observed: “The objective of the enrollment process is to improve your market position” (quoted in Kirp, 2003: 12).

It is important (and perhaps encouraging) to note that these new metaphorical understandings are not uniformly embraced throughout higher education, or even in all the individual colleges that have adopted enrollment management. In so much as a market logic has penetrated American colleges and universities, its influence is often localized within their operative systems (administrations). Many faculty members have never even heard of this innovation, much less fallen under the spell of its master metaphor. Nevertheless, EM’s strong connection to the market logic clearly indicates that it should be understood as a culture-bearing innovation, as well as a politically disruptive one. Enroll-
ment management matters both because it alters the intricate constitutional order of a college and because it brings new ideas and values into that order. We attempted to bear this duality in mind in developing our hypotheses and interpreting our findings.

HYPOTHESES

Having explained how enrollment management threatens organizational values, we now turn to our core task of identifying the “conditions and processes” that made colleges more or less vulnerable to this threat. Because we have characterized EM as an incipient threat, we attempt to identify factors that are likely to have affected colleges’ interpretation of the innovation, as well as those affecting the internal political process surrounding its ultimate adoption/rejection. Because we have characterized EM as both a distinctly organizational change and a manifestation of a larger field-level trend, we locate causal explanations both inside an organization and in its broader cultural and economic contexts.

Organizational and Local Environmental Factors

Power and professionalism of internal elites. As we have already seen, power and professionalism are the two main ingredients in Selznick’s recipe for avoiding goal displacement and value attenuation. He portrayed professionalism as “the basic answer society has evolved for the protection of institutional integrity” (1957: 40). In his “constitutional” theory, he posited that organizations can effectively offset the short-term, technical pressures that continually emanate from their operative systems by granting power and autonomy to internal professional groups (Knudsen, 1995). In so doing, Selznick argued, an organization creates “irreversible commitments” to these groups’ respective values and effectively builds them into its social structure.11

Building on this general argument, we predict that organizations are at lower risk of adopting value-subverting management innovations when the internal elites who stand to be affected by them are relatively powerful and highly professionalized. As the preceding discussion revealed, faculty and admissions personnel are two internal groups whose values and identities are threatened by the enrollment management structure. We propose that colleges are less vulnerable to its adoption to the extent that these groups are empowered and demonstrably committed to the values of their respective professions.

Hypothesis 1. Colleges that have more powerful and professionalized faculties are less likely to adopt the enrollment management structure.

Hypothesis 2. Colleges that have more powerful and professionalized admissions personnel are less likely to adopt the enrollment management structure.12

Autonomy from external resource pressures. An organization should also be less likely to adopt value-subverting innovations when it is relatively independent from external resource pressures. Several of the classic studies in the early institutional tradition identified dependence on external resource providers as the prime cause of value attenuation (Clark, 1956; Messinger, 1955; Zald & Denton, 1963). Clark’s (1956) study of goal displacement in adult education organizations (which is discussed at length in Selznick’s 1957 book) is perhaps the most noteworthy example. He found that these organizations’ extreme dependence on students and their tuition set in motion an adaptation process that ultimately led them to wholly abandon their missions and to devolve into “educational service stations” offering classes on any topic that would fill their classrooms (including “cake decorating, rug making, and square-dancing”[Clark, 1956: 334]). Scholars working in other, more contemporary research traditions have also recognized the practical need for organizational autonomy and the potentially dire consequences of extreme external dependence (Mitchell et al., 1997; 1997).

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11 “A wise management will readily limit its own freedom, accepting irreversible commitments, when the basic values of the organization and its direction are at stake” (1957: 40). Faculty tenure is one obvious example of this type of irreversible commitment.

12 Although these predictions are well-grounded in Selznick’s theory, it is necessary to qualify them in two ways. First, we should note that a strictly power-oriented view might lead to the prediction that admissions personnel would favor the EM structure because it appears to provide them with increased power and centrality, even as it undermines their profession’s traditional values (which are preeminent in Selznick’s normative theory). Second, we should also note that faculty power and professionalism are likely to exert an indirect effect on adoption. Because EM is a largely technical, administrative structure, faculty may not be directly involved in the adoption decision. Nonetheless, we expect that faculty values and concerns will be more salient to administrators when faculty power and professionalism are higher (Mitchell, Agle, & Wood, 1997).

We posit that autonomy from external pressures is particularly important in understanding colleges’ ability to resist enrollment management. Because the innovation is specifically designed to provide colleges with more control over their enrollments and revenues, it is likely to be very alluring to schools with an obvious deficiency in this area. In contrast, colleges that occupy a stronger position vis-à-vis their would-be students might be expected to take a more principled and long-term view in contemplating the structure’s adoption. Two telling indicators of a college’s relative autonomy from enrollment pressures are: (1) lower dependence on tuition as source of revenue and (2) geographic dispersion of its student body. Colleges with significant nontuition revenue streams (e.g., from endowment and grant income) and national “drawing power” are thus predicted to be at a lower risk of EM adoption.

**Hypothesis 3. Colleges that are less dependent on tuition as a source of revenue are less likely to adopt the enrollment management structure.**

**Hypothesis 4. Colleges that have greater student drawing power are less likely to adopt the enrollment management structure.**

**Organizational history and character.** An organization’s historically accreted “character” is a third factor likely to affect its vulnerability to the adoption of value-threatening management innovations. Selznick’s theory emphasizes the need to study organizations through a “developmental” and diachronic lens (Knudsen, 1995; Kraatz & Block, 2008; Selznick, 1957). Seen through this lens, current organizational actions and decisions appear in the context of a stream of prior choices and actions made throughout the organization’s life course. Selznick hypothesized that an organization develops a discernible character as the result of the critical and identity-forming decisions made over time (1957: 38–56). He also emphasized that this historically accreted character can be an important resource for fending off value subversion (or a key liability, depending on its content).

Because our study employs neoinstitutional methods rather than the case study approach of the early institutionalists, we lack the ability to assess character in the deep and multifaceted sense in which Selznick conceptualized it. We are, however, able to observe some specific and plausibly “character-defining” choices that our sample colleges made at earlier in their developmental histories. During the 1970s and 1980s, a majority of liberal arts colleges adopted professional degree programs in response to changing student degree preferences and enrollment and budgetary pressures (Kraatz & Zajac, 1996). These changes were critical ones because they were manifestly inconsistent with these colleges’ traditionally espoused values (and very identities). We propose that colleges that adopted professional programs in response to this earlier crisis were more vulnerable to the adoption of enrollment management during our subsequent study period. We posit two causal mechanisms underlying this proposed effect. The first is explicitly Selznickian and character-based. Professional program adoption is similar to enrollment management in that it reflects a defection from principle and an apparent capitulation to external market pressures. It is plausible to argue that “going along” with the former set of pressures paved the way for a college to conform to the current ones. The second mechanism is more ideational and cultural. Specifically, it is possible that prior adoption of professional programs created a foothold for the market logic and the ideology of student consumerism—sensibilities that are also much apparent in the structure and practice of enrollment management (Hossler, 2004; Kirp, 2003). Following this logic, the EM innovation would likely be less culturally offensive to colleges that had previously adopted professional programs.

**Hypothesis 5. Colleges that adopted professional programs in the 1970s and early 1980s are more likely to have adopted the enrollment management structure in our subsequent study period.**

**Leadership.** Leadership is the final organization-level factor in our theoretical model of vulnerability to enrollment management adoption. We have followed Selznick in portraying value subversion as a primarily sociological phenomenon, one that is both impelled and impeded by social-structural conditions in and around an organization. However, we also follow him (and the other “old” institutionalists) in reserving a prominent place for human agency and error and in seeing individual people as the ultimate “guts of institutions.”

13 “The guts of institutions is that somebody somewhere really cares to hold an organization to the standards and is often paid to do that. Sometimes that somebody is inside the organization, maintaining its competence. Sometimes it is in an accrediting body, sending out volunteers to see if there is really any algebra in the algebra course. And sometimes that somebody, or
Our particular concern is with organizations’ top administrators and their ability to discern and resist the incipient threat posed by enrollment management and other like innovations. In Selznick’s account, institutional leaders are the ultimate guarantors of values and the last defense against threats to institutional integrity. Selznick argued that institutional leaders needed to assume a posture of “statesmanship,” using their authority to protect their organizations’ core values and long-term interests. He also emphasized that this work required deep commitment, foresight, and knowledge of an organization’s values, commitments, and internal social structure. Although our methodology limited our ability to assess college presidents’ values, competencies, and commitments in depth, we were able to assess some important aspects of their institutional and personal experience that serve as revealing proxies thereof. We propose that colleges’ vulnerability to EM varies systematically as a function of these prior social experiences.

Our first leadership hypothesis centers on a college president’s experience within her or his institution itself. Specifically, we posit that colleges with longer-tenured presidents are less likely to adopt the enrollment management structure. We expect that longer experience in a college (and, more specifically, as its president) makes a leader more attuned to institutional values and commitments, more aware of organizational complexities and interdependencies, and more wary of new management innovations that offer easy solutions to perennial problems. We also expect longer-tenured leaders to have a greater inclination and ability to resist change, in general (Miller, 1991; Wiersema, & Bantel, 1992). This entrenchment and conservatism are clearly pathological in some cases, but they may often serve a more useful function. Selznick had much to say about the leaders’ role in building institutions and enacting change, but he also observed that institutional leadership required “an essentially conservative posture” (1957: 81).

Hypothesis 6. Colleges with longer-tenured presidents are less likely to adopt the enrollment management structure.

We also posit that institutional leaders’ extraorganizational experience bears on a decision to adopt EM. Specifically, we argue that schools are more likely to adopt enrollment management when they are led by presidents who have worked at another institution that has previously adopted the structure. These leaders should be less normatively opposed to the change and more likely to see it as an “appropriate” administrative device. They may also function as institutional carriers who create interorganizational linkages and thus promote the diffusion of enrollment management and other administrative practices (Scott, 2008). Kraatz and Moore (2002) showed that presidential migration played exactly this role in promoting professional program adoption. They drew both from Selznick’s theory and neoinstitutionalism in explaining their findings.

Hypothesis 7. Colleges are more likely to adopt the enrollment management structure when they are led by presidents who have migrated from previous adopters of enrollment management.

Macroevironmental Factors

To develop a full understanding of organizations’ vulnerability to value-subverting administrative innovations, it is also necessary to look beyond their boundaries and to see them in the context of their broader institutional and competitive environment. Although we follow Selznick in viewing an organization as a self-governing entity that is the ultimate author of its own decisions, it is clear that “conditions and processes” operating at the interorganizational and field levels of analysis often strongly shape these choices. Our remaining hypotheses focus on these macroenvironmental risk factors.

Field-level theorization and diffusion processes. We have already explained that enrollment management is, in some important sense, a manifestation of a larger, field-level change process. It may appear to an individual college as a value-neutral administrative device, and it is probably most often adopted in an effort to solve prosaic, operative system problems. Nevertheless, it is important to recognize that this particular technical solution has been “theorized” and socially constructed as an appropriate and efficacious one (Strang & Meyer, 1993). We see at least two causally significant field-level processes that are responsible for its field-level legitimation. First, readily

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his or her commitment, is lacking, in which case the center cannot hold, and mere anarchy is loosed upon the world” (Stinchcombe, 1997: 17).

14 “The institutional leader cannot permit any partial viewpoint to dominate decisions regarding the organization as a whole . . . this control will not be not be possible unless a true conception of the nature of the enterprise—its long-run aims as shaped by long-run commitments is grasped and held” (Selznick, 1957: 81).
identifiable institutional actors or “carriers” (Greenwood & Suddaby, 2002; Scott, 2008) have strongly advocated EM. A large number of consulting firms, for instance, now operate lucrative practices that provide colleges with prepackaged EM “solutions” (Gose, 1999). A nascent EM profession has also sprung up, further contributing to the structure’s cultural standing (Henderson, 2001). Second, enrollment management’s rapid spread during our study period also suggests the strong possibility of mimetic diffusion (DiMaggio & Powell, 1983). The neoinstitutional literature suggests that the mere prevalence of a structure or practice is strong evidence of its cultural acceptability and that this “taken-for-grantedness” is often sufficient to further its continued spread (Suchman, 1995; Westphal, Gulati, & Shortell, 1997). The literature on fads and “bandwagons,” which has shown that many management innovations spread through processes of social contagion, also supports this insight (Abrahamson, 1991; Abrahamson & Rosenkopf, 1993; Burns & Wholey, 1993; Fiol & O’Connor, 2003).

It is important to note that by hypothesizing a field-level diffusion process, we are not suggesting that EM has gained uniform acceptance throughout higher education. Neither are we arguing that colleges have adopted it in an effort to display symbolic conformity with social norms and thereby garner public approval. As we have explained, EM has been widely portrayed as a practice that actually undermines public trust in higher education, and it has generated growing negative publicity as its consequences have become better understood. It is also clear that market forces have played a major role in its spread (a topic we turn to next). What we are positing, instead, is only that this innovation has become more culturally acceptable within the narrower community of college administrators (who are typically responsible for making decisions about the appropriateness of various “mundane administrative arrangements”). We propose that the changing norms of this narrower community will influence an individual college’s susceptibility to adoption of EM, irrespective of the structure’s (un)acceptability to other constituencies in the wider higher education arena.

Hypothesis 8. Colleges are more likely to adopt enrollment management as the structure becomes more prevalent at the field level.

Competitive interaction. Diffusion processes are known to be driven by competitive forces as well as by institutional ones (Abrahamson & Rosenkopf, 1993; Lieberman & Asaba, 2006). Organizations respond not only to changing social norms and prescriptions, but also directly to one another (Porac, Thomas, Wilson, Paton, & Kanfer, 1995; Smith, Grimm, Gannon, & Chen, 1991). These responses, although still imitative in the broadest sense of the term, are sometimes more accurately understood as defensive or even retaliatory. It is likely that these competitive interactional dynamics also play a key role in driving organizations to adopt value-subverting innovations.

Competitive interaction appears to be particularly important in explaining college’s relative vulnerability to enrollment management adoption. This is the case because the structure is, among other things, a tool that schools use in the deliberate effort to attract students and their tuition dollars away from directly competing institutions. The term “arms race” is very frequently used in describing the contemporary landscape of college admissions, and enrollment management is widely cited as the major weapon in this continually escalating competition (Davis, 2003; Goral, 2003; McPherson & Schapiro, 1998; Quirk, 2005). Many administrators have suggested that their colleges have been forced into EM as a direct result of the aggressive actions undertaken by their competitors. Some administrators have also complained that they are unable to “unilaterally disarm,” given their competitors’ continued use of EM weaponry (Quirk, 2005). These external attributions may be somewhat self-serving, but they nonetheless point to a straightforward hypothesis. Specifically, a college should be more vulnerable to the adoption of EM when its direct competitors have adopted the structure and are heavily engaged in its practice.

Hypothesis 9. A focal college is more likely to adopt the enrollment management structure when more of its direct competitors have adopted the structure and when its direct competitors are heavily engaged in tuition discounting.

Middle status. An organization’s position in the overall status hierarchy of its field is a final contextual factor likely to affect its vulnerability to the adoption of value-subverting management innovations. Organizational sociologists have noted that many industries and fields have clear status hierarchies that exert important effects on organizational actions and outcomes (Jensen, 2003; Lounsbury, 2002; Podolny, 1993, 2005; Washington & Zajac, 2005). They have also noted a strong tendency toward “middle-status conformity” that appears to be driven by the social insecurity and “status anxiety” of organizations that occupy positions in the middle of a status hierarchy (Jensen, 2006; Phillips & Zuckerman, 2001). Because these middle-status or-
ganizations face both the prospect of status advancement and the perpetual risk of marginalization, they are thought to “work feverishly to solidify their social standing” (Phillips & Zucker- 

Building on these arguments, we propose that middle-status colleges are the most vulnerable to enrollment management adoption. Higher education is well known to be a highly stratified field, and status concerns have become increasingly salient as the result of the college-ranking schemes that emerged at the outset of our study period. We predict that EM is particularly alluring to middle-status schools because it provides tools and techniques that promise status protection and/or advancement (e.g., by allowing a school to increase the average test scores of incoming students and thus enhance its rankings). Our argument differs significantly from the classic middle-status conformity hypothesis, in that enrollment management is a means to the end of status enhancement, rather than a status marker in its own right. (As previously noted, EM’s symbolic connotations do not appear to be positive.) Nevertheless, the predicted pattern of adoption is the same.

**Hypothesis 10. Middle-status colleges are more likely to adopt the enrollment management structure.**

**Diminishing effects of macroenvironmental pressures.** Because value-subverting innovations (by definition) exert undesired consequences for adopting organizations, we expect their diffusion to follow an atypical temporal trajectory. Specifically, we propose that the macrocontextual drivers of these innovations become less influential over time as an innovation’s full effects become increasingly well understood and widely publicized. This proposed pattern, which is essentially a process of field-level learning (Miner & Haunschild, 1995), contrasts sharply with the more typical trajectory, wherein macroinstitutional forces gain causal precedence as an innovation spreads widely and becomes fully taken-for-granted at the field level (Tolbert & Zucker, 1983; Westphal et al., 1997). This alternative trajectory appears particularly likely to unfold in our study context. Although relatively little was written about enrollment management during the early part of its diffusion, it has received much more scrutiny and criticism in recent years. Notably, all of the critical research and commentary that we have reviewed above was published in the second (post-1996) half of our 20-year study period. Thus:

**Hypothesis 11. The macrocontextual drivers of enrollment management identified in Hypotheses 8–10 had less effect on enrollment management adoption after 1996.**

**METHODS**

**Sample and Data**

Our sample is the complete population of private liberal arts colleges as defined by the Carnegie Foundation for the Advancement of Teaching (1987). We studied these 515 schools over the period 1987–2006. Liberal arts colleges are value-infused organizations that espouse and self-consciously pursue social missions. They have been previously described as archetypal Selznickian institutions (Clark, 1970; Kraatz & Zajac, 1996) and are known to have been deeply affected by enrollment management (McPherson & Schapiro, 1998). They are also very well established, with an average age of over 100 years at the outset of our study period. Our data come from three separate sources. The main source is the Higher Education Directory, which annually publishes the names and titles of virtually all administrators at American colleges. The second is the federal government’s Integrated Post-Secondary Education Data System (IPEDS) and its predecessor, the Higher Education General Information Survey. These provide annual data on the finances, enrollments, faculty, curricula, and other institutional characteristics of our sample schools dating back to the early 1970s. The third is Peterson’s Guide to Four-Year Colleges (Peterson’s Guides, 1987), from which we obtained our status measure.

**Measures**

**Dependent variable.** Our study focuses on explaining colleges’ vulnerability to the initial adoption of the enrollment management structure. We inferred this adoption when a college first reported the existence of an administrative position with the title “vice president for enrollment management” or some close approximation thereof. Focusing on the initial adoption of the structure was theoretically appropriate, given our interest in understanding organizations’ ability to recognize and reject incipient threats to their values. It was also appropriate in light of our strong theoretical interest in “administrative arrangements” (i.e., structures). Previous research has shown that colleges with EM structures are, on average, much more deeply engaged in the practice than those without the struc-
...and our own data strongly support this conclusion.\footnote{15}

**Independent variables.** We assessed the power and professionalism of a college’s faculty (Hypothesis 1) using the following three measures: Average faculty salary (standardized within years to control for inflation), tenure-track faculty to student ratio, and research budget.\footnote{16} Faculties that are relatively better paid, more permanent, and larger and better supported in their academic pursuits are, ceteris paribus, expected to be more powerful and professional ones. We gauged the power and professionalism of schools’ admissions directors (Hypothesis 2) using data about their titles and lengths of tenure. A significant percentage of admissions directors (20\%) had the title “dean of admissions.” We took this as evidence of greater authority and professionalism and thus included a has administrations dean variable. We also included admissions officer tenure in testing Hypothesis 2, with the expectation that a director’s influence would increase with time in office.

We assessed a school’s autonomy from enrollment pressures (Hypotheses 3 and 4) using two measures. Tuition independence (Hypothesis 3) captured the percentage of a school’s total revenues that come from sources other than tuition (calculated as \[ \frac{\text{total revenues} - \text{tuition revenues}}{\text{total revenues}} \]). We measured the school’s student drawing power (Hypothesis 4) with geographic dispersion of student body. We calculated this variable using data from the IPEDS “residency survey,” which requires schools to report the home states of their incoming students. Specifically, we created a Herfindahl index that measured the geographic concentration of a school’s student body (across all 50 states). We then reverse-coded this variable so that higher values would reflect greater dispersion (which is the obverse of concentration).

We included the variable professional programs previously adopted to assess the effects of organizational character and history (Hypothesis 5). This variable indicates the number of programs that a school adopted between 1971 and 1985. To test Hypothesis 6 (about presidential tenure) and Hypothesis 7 (about the effects of presidential migration), we included the self-explanatory measures presidential tenure and president from school with enrollment management structure, respectively.

We tested Hypothesis 8 by including cumulative prior adoption of enrollment management at the field level. This variable, which specifically captures the overall percentage of liberal arts colleges that had adopted the structure as of time \( t - 1 \), is a standard measure in institutional diffusion studies.

Testing Hypothesis 9, which focused on the effects of competitive interaction, required us to identify a unique set of direct competitors for each individual college. We identified these schools using three criteria: geographic overlap, tuition similarity, and similarity in selectivity. Colleges literally compete in geographic space (by vying for the same students in the same locations). Schools that are highly similar on the other two dimensions are not competitors if they get their students from opposite ends of the country. Thus, we defined a school’s group of direct competitors as the five other schools that had the highest degree of geographic overlap and were also within one standard deviation of a focal school on either of the other two dimensions. We limited the number to five because of our interest in the effects of direct competition, and so that each school would have a competitor group of the same size. Other cutoffs produced similar results. The actual measures used to test Hypothesis 9 were the percentage of direct competitors previously adopting the enrollment management structure, and mean tuition discount rate of direct competitors. As explained, tuition discounting is the core practice of EM.\footnote{17}

\footnote{15}The consulting firm Noel-Levitz conducts a biennial survey of enrollment management practices in a representative sample of American colleges and universities. Their 2002 survey showed that colleges with enrollment management vice presidents had an average tuition discount rate of 31 percent, institutional aid expenditures of $1,174 per full-time-equivalent (FTE) student, and total recruiting costs of roughly $600 per FTE student. The numbers for schools without the structure were 22 percent, $571, and $403, respectively (Noel-Levitz, 2002). Our 2006 data show that liberal arts colleges with the enrollment management structure spent 29 percent of their total annual budgets on institutional aid, compared to 23 percent for those without.

\footnote{16}We used an indicator variable \( 0, 1 \) to capture the effects of research budget. Because roughly two-thirds of our sample colleges provided no research funding, most of the variance in this measure is between the “haves” and “have nots.” Results are highly similar to those obtained using a continuous measure of research spending.

\footnote{17}Geographic overlap was assessed using data from the IPEDS residency survey. For every pair of schools \( (i \) and \( j) \), we first created a state-level measure of overlap by comparing the percentages of \( i \)'s and \( j \)'s enrollments that came from that state and retaining the lesser of the two values. (Examples: If \( i \) gets 100 percent from Alabama and \( j \) gets 0, their overlap in Alabama is 0. If \( i \) gets 100...
To test Hypothesis 10 (regarding the effects of status position), we relied on a five-point measure of a college’s overall selectivity in admissions, which was obtained from Peterson’s Guide to Colleges. Because status is relatively stable, we used the 1987 measure throughout. We included a squared term (selectivity squared) to test the more specific argument that middle-status colleges are the most vulnerable to enrollment management adoption. We tested Hypothesis 11 (which posits that contextual influences have a declining influence in later years) by first creating a late period dummy variable and then interacting it with the variables used to test Hypotheses 8–10. The late period was defined as the latter half of our 20 year study period (1997–2006).

**Control variables.** We included control variables that captured the size (undergraduate enrollment) and tuition levels of our sample colleges. Because tuition rates greatly increased over the study period, we standardized the latter measure by year.

**Treatment of missing data.** Because the federal government did not release finance data from 1997 through 2001, data for three of our key variables (discount rate of direct competitors, tuition independence, and research budget) were missing for these years. We filled in these missing values using linear interpolation between the 1996 and 2002 values. Other methods of treating these missing values produced similar results. Data on the tenure of admissions officers were also missing in approximately 20 percent of all cases. We treated these missing values by substituting zeroes and including a dummy variable (admissions tenure missing) to denote these observations. This allowed us to examine tenure effects in cases in which data were available, without dropping the entire observation when they were not. We were unable to impute these missing values because they were spread randomly over years and observations. Models excluding the admissions tenure variable produced similar results.

### Analyses

We modeled enrollment management adoption using discrete time event history analysis (Allison, 1984; Yamaguchi, 1991). Discrete-time analysis estimates logit models of dichotomous outcomes for pooled time series data in which the same units are observed at multiple intervals. These logit models allow one to estimate the hazard of an event (e.g., enrollment management adoption) occurring in any one of the discrete time periods. Covariates are allowed, but not required, to vary between time periods. The discrete time model has the following general form:

$$
\log[P(t)/(1 - P(t))] = a(t) + b_1 x_1 + b_2 x_2(t),
$$

where $$\log[P(t)/(1 - P(t))]$$ represents the log-odds of the event occurring for a particular unit at any time $$t$$, $$a$$ represents the baseline hazard of the event occurring at any time $$t$$, $$b_1$$ represents the change in the log-odds for each one-unit increase in a time-invariant covariate $$x_1$$, and $$b_2$$ represents the change in the log-odds for each one-unit increase in a time-varying covariate $$x_2(t)$$. 

### RESULTS

Descriptive statistics and correlations appear in Table 1. The results of tests of Hypotheses 1–10 are presented in Table 2. Hypotheses 1 and 2, which invoke arguments about the power and professionalism of internal value “guardians,” were both supported. Colleges were less likely to adopt enrollment management when they had higher average faculty salaries, higher tenure track faculty to student ratios, research budgets (Hypothesis 1), and admissions deans (Hypothesis 2). The effect of the admissions dean variable was marginal. This may be because admissions professionals have mixed motives regarding enrollment management (an issue that we discuss in a footnote to Hypothesis 2).

Table 3 also reveals support for Hypotheses 3 and 4, both of which emphasize that organizational autonomy from enrollment pressures makes colleges less susceptible to EM adoption. We found that colleges were less likely to adopt EM when they were more tuition-independent (Hypothesis 3) and had greater student drawing power, as evidenced by the geographic dispersion of their student bodies (Hypothesis 4).
<table>
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<tr>
<th>Variable</th>
<th>Mean</th>
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<th>19</th>
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</thead>
<tbody>
<tr>
<td>1. Adoption of enrollment management structure</td>
<td>0.03</td>
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<tr>
<td>2. Average faculty salary&lt;sup&gt;a&lt;/sup&gt;</td>
<td>-0.03</td>
<td>0.98</td>
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<td>3. Tenure-track faculty to student ratio</td>
<td>0.12</td>
<td>0.07</td>
<td>-0.05</td>
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<td>4. Research budget (0.1)</td>
<td>0.30</td>
<td>0.46</td>
<td>-0.04</td>
<td>0.51</td>
<td>0.11</td>
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<td>5. Has admissions dean</td>
<td>0.19</td>
<td>0.39</td>
<td>-0.02</td>
<td>0.29</td>
<td>0.02</td>
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<td>6. Admissions officer tenure</td>
<td>3.76</td>
<td>4.59</td>
<td>0.00</td>
<td>0.23</td>
<td>-0.03</td>
<td>0.16</td>
<td>0.25</td>
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<tr>
<td>7. Tuition independence</td>
<td>40.38</td>
<td>16.64</td>
<td>-0.10</td>
<td>-0.10</td>
<td>0.20</td>
<td>-0.02</td>
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<tr>
<td>8. Geographic dispersion of student body</td>
<td>-0.41</td>
<td>0.28</td>
<td>-0.04</td>
<td>0.40</td>
<td>0.18</td>
<td>0.35</td>
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<tr>
<td>9. Professional programs previously adopted</td>
<td>1.43</td>
<td>1.19</td>
<td>0.05</td>
<td>-0.19</td>
<td>-0.18</td>
<td>-0.09</td>
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<td>10. Presidential tenure</td>
<td>6.07</td>
<td>5.40</td>
<td>-0.04</td>
<td>0.07</td>
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<tr>
<td>11. President from school with enrollment management structure</td>
<td>0.02</td>
<td>0.13</td>
<td>0.06</td>
<td>-0.03</td>
<td>-0.01</td>
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<tr>
<td>12. Cumulative prior adoption at field level</td>
<td>21.03</td>
<td>13.90</td>
<td>0.09</td>
<td>0.05</td>
<td>0.00</td>
<td>0.07</td>
<td>0.13</td>
<td>0.09</td>
<td>-0.35</td>
<td>0.05</td>
<td>-0.06</td>
<td>0.07</td>
<td>0.09</td>
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<tr>
<td>13. Percentage of direct competitors adopting</td>
<td>22.11</td>
<td>23.97</td>
<td>0.09</td>
<td>-0.14</td>
<td>-0.03</td>
<td>-0.09</td>
<td>-0.02</td>
<td>-0.26</td>
<td>-0.14</td>
<td>0.10</td>
<td>0.08</td>
<td>0.05</td>
<td>0.60</td>
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<tr>
<td>14. Mean tuition discount of direct competitors</td>
<td>26.05</td>
<td>7.42</td>
<td>0.06</td>
<td>-0.14</td>
<td>-0.02</td>
<td>0.15</td>
<td>0.18</td>
<td>0.14</td>
<td>-0.23</td>
<td>0.21</td>
<td>-0.02</td>
<td>0.03</td>
<td>0.05</td>
<td>0.63</td>
<td>0.40</td>
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<tr>
<td>15. Selectivity</td>
<td>1.70</td>
<td>0.90</td>
<td>-0.01</td>
<td>0.66</td>
<td>0.10</td>
<td>0.35</td>
<td>0.25</td>
<td>0.15</td>
<td>-0.07</td>
<td>-0.34</td>
<td>0.12</td>
<td>0.00</td>
<td>-0.03</td>
<td>0.00</td>
<td>-0.13</td>
<td>0.15</td>
<td></td>
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<tr>
<td>16. Selectivity squared</td>
<td>3.71</td>
<td>2.94</td>
<td>-0.03</td>
<td>0.72</td>
<td>0.13</td>
<td>0.40</td>
<td>0.26</td>
<td>0.17</td>
<td>0.01</td>
<td>0.39</td>
<td>-0.21</td>
<td>-0.01</td>
<td>-0.02</td>
<td>0.02</td>
<td>-0.15</td>
<td>0.17</td>
<td>0.92</td>
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<tr>
<td>17. Undergraduate enrollment</td>
<td>1,089</td>
<td>648.68</td>
<td>0.01</td>
<td>0.54</td>
<td>-0.18</td>
<td>0.44</td>
<td>0.13</td>
<td>0.19</td>
<td>-0.28</td>
<td>0.17</td>
<td>-0.02</td>
<td>0.08</td>
<td>-0.02</td>
<td>-0.16</td>
<td>0.04</td>
<td>0.18</td>
<td>0.27</td>
<td>0.34</td>
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<tr>
<td>18. Tuition&lt;sup&gt;b&lt;/sup&gt;</td>
<td>-.003</td>
<td>1.00</td>
<td>-0.01</td>
<td>0.78</td>
<td>0.10</td>
<td>0.50</td>
<td>0.32</td>
<td>0.20</td>
<td>-0.23</td>
<td>0.50</td>
<td>-0.22</td>
<td>0.02</td>
<td>-0.02</td>
<td>0.02</td>
<td>-0.18</td>
<td>0.20</td>
<td>0.69</td>
<td>0.72</td>
<td>0.41</td>
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<td>19. Admissions tenure missing</td>
<td>0.23</td>
<td>0.42</td>
<td>0.01</td>
<td>-0.13</td>
<td>-0.06</td>
<td>-0.13</td>
<td>-0.23</td>
<td>-0.40</td>
<td>-0.00</td>
<td>-0.09</td>
<td>0.06</td>
<td>-0.06</td>
<td>0.01</td>
<td>0.02</td>
<td>-0.07</td>
<td>-0.10</td>
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<td>-0.07</td>
<td>-0.13</td>
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<tr>
<td>20. Late period</td>
<td>0.50</td>
<td>0.50</td>
<td>0.06</td>
<td>0.04</td>
<td>0.00</td>
<td>0.08</td>
<td>0.10</td>
<td>-0.07</td>
<td>-0.33</td>
<td>0.05</td>
<td>-0.06</td>
<td>0.05</td>
<td>0.08</td>
<td>0.88</td>
<td>0.53</td>
<td>0.55</td>
<td>0.00</td>
<td>0.02</td>
<td>0.14</td>
<td>0.02</td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup> Standardized within year.
Hypothesized effects.

ganizations, Hypothesis 8 posits that EM's growing structure. had migrated from an earlier adopter of the they were more likely to do so when their leaders less likely to adopt enrollment management Selznick's leadership arguments. Colleges were Professional programs were found to be at greater risk of enrollment management adoption, supporting Hypothesis 5’s arguments about organizational history and character. We also found support for Hypotheses 6 and 7, both of which drew from Selznick’s leadership arguments. Colleges were less likely to adopt enrollment management when they had longer-tenured presidents, and they were more likely to do so when their leaders had migrated from an earlier adopter of the structure.

Moving beyond the boundaries of individual organizations, Hypothesis 8 posits that EM’s growing prevalence within the larger higher education field positively affects an individual college’s propensity to adopt the structure. This hypothesis was supported. Hypothesis 9 predicts that local, competitive pressures also increase vulnerability. Results showed that colleges were more likely to adopt when more of their direct competitors had the EM structure, but the effect of our second measure (direct competitor’s mean discount rate) did not exert an independent effect. We also found support for Hypothesis 10, which predicts that middle-status schools will be particularly susceptible to EM adoption. This support is evident in the positive coefficient for the selectivity variable and the negative coefficient for the selectivity-squared term. Figure 1 presents visual evidence of the middle-status effect, showing the percentage of schools in each status category that had adopted enrollment management by the end of the study period. Figure 1 also reveals that no colleges in the highest status category adopted EM during the study period.

Figure 2 shows the effect sizes for all variables with significant effects in Table 3. Except where noted, the bars show the change in the odds of adoption associated with a one standard deviation increase in each variable, holding all others constant at their mean value. For dichotomous variables, the bars show the effect of a one-unit increase (from 0 to 1).

We now turn to Hypothesis 11, which posits that the contextual pressures identified in Hypotheses 8–10 will weaken over time as EM’s consequences became better understood and more widely publicized. Table 3 shows that this hypothesis was supported for three of the four variables (the exception being the middle-status effect). An examination of the coefficients in Table 3 shows that two of the variables merely declined in magnitude, but the third (discount rate of direct competitors) actually reversed direction in the latter period. This reversal likely explains the variable’s insignificant effect in Table 2’s overall model. It may also reflect evidence of vicarious learning from competitors. Although competitors’ increasing use of tuition discounting initially spurred colleges to adopt EM, their continually escalating financial aid expenses may have

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variable</th>
<th>Coefficient (s.e.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Average faculty salary standardized within year</td>
<td>-0.240* (0.135)</td>
</tr>
<tr>
<td>1</td>
<td>Tenure-track faculty to student ratio</td>
<td>-4.053** (1.699)</td>
</tr>
<tr>
<td>2</td>
<td>Research budget (0, 1)</td>
<td>-0.456* (0.201)</td>
</tr>
<tr>
<td>2</td>
<td>Has admissions dean</td>
<td>-0.266† (0.184)</td>
</tr>
<tr>
<td>3</td>
<td>Admissions officer tenure</td>
<td>0.008 (0.015)</td>
</tr>
<tr>
<td>4</td>
<td>Tuition independence</td>
<td>-0.011* (0.006)</td>
</tr>
<tr>
<td>5</td>
<td>Geographic dispersion of student body</td>
<td>-0.641* (0.329)</td>
</tr>
<tr>
<td>6</td>
<td>Professional programs previously adopted</td>
<td>0.104* (0.060)</td>
</tr>
<tr>
<td>7</td>
<td>President from school with enrollment management structure</td>
<td>0.733* (0.328)</td>
</tr>
<tr>
<td>8</td>
<td>Cumulative prior adoption at field level</td>
<td>0.021** (0.008)</td>
</tr>
<tr>
<td>9</td>
<td>Percentage of direct competitors adopting enrollment management</td>
<td>0.007* (0.004)</td>
</tr>
<tr>
<td>10</td>
<td>Mean tuition discount of direct competitors</td>
<td>0.005 (0.013)</td>
</tr>
<tr>
<td>Selectivity</td>
<td>0.677** (0.276)</td>
<td></td>
</tr>
<tr>
<td>Selectivity squared</td>
<td>-0.231* (0.097)</td>
<td></td>
</tr>
<tr>
<td>Undergraduate enrollment</td>
<td>0.0001 (0.0001)</td>
<td></td>
</tr>
<tr>
<td>Tuition standardized within year</td>
<td>0.414** (0.114)</td>
<td></td>
</tr>
<tr>
<td>Admissions tenure missing</td>
<td>-0.067 (0.193)</td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>-4.672*** (0.552)</td>
<td></td>
</tr>
</tbody>
</table>

Chi-square 157.05***

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**Observations** = 6,493.

† p < .10

* p < .05

** p < .01

*** p < .001

Tests were two-tailed for control variables and one-tailed for hypothesized effects.

An exponential term governs the odds of adoption in a logistic regression equation. Accordingly, we calculated the displayed change in the odds by multiplying the change in a variable by its coefficient from Table 3, then taking the exponential of the resultant product, and finally subtracting 1 (i.e., Δodds = e^(βx) − 1).
been interpreted as more of a cautionary signal in later years.\textsuperscript{19}

\textsuperscript{19} In the interest of completeness, we also looked for evidence of time dependence in the effects of all of the other variables in our model, using the same early/late approach. These analyses, which are available on request, revealed no significant effects, with one notable exception. Specifically, the positive effect of the presidential migration variable dissipated between the early and late periods. This effect appears to cohere with the
DISCUSSION

Master trends limit choice, but no outcome is inexorable. They tell us what will happen if history is allowed to follow a line of least resistance. The most important master trends are those that affect the high excellences of human life: success or failure in child rearing, the arts, education, or government. The values that inform these activities are precarious, subject to attenuation or distortion by ambient temptations. Precarious values need sustained nurture and special support. (Selznick, 2008: 26)

We began by noting the recent resurgence of interest in Selznick’s institutionalism and briefly reviewing that theory’s distinctive premises, foci, and aims. Taking these assumptions and purposes as our own, we set out with two more specific goals in mind. The first was to draw renewed attention to “mundane administrative arrangements” and their contemporary role in enabling (or frustrating) organizational value attainment. The second was to begin to develop knowledge about the conditions and processes that make organizations more or less impervious to the adoption of value-subverting administrative innovations. We suggested that the latter goal followed directly from the former and was particularly important given that colleges, hospitals, charities, government agencies, and other value-infused organizations routinely adopt progressive management innovations that have largely unexamined consequences for value realization.

We pursued these goals through a study of enrollment management in liberal arts colleges. Drawing deeply from Selznick’s theory, we explained how the EM structure disrupts the normative and political order of a college and thereby threatens established values (i.e., by undermining the autonomy of value-bearing elites and altering the balance of power between the college’s operative and normative systems). We buttressed these theoretical arguments about EM’s prima facie importance by reviewing higher-education research documenting its indirect and longer-term consequences—for instance, its negative effect on equal access to higher education and its tendency to divert resources away from core educational purposes. We then went on to build a theoretical and empirical model of enrollment management adoption. This model drew both from Selznick’s theory (with its insights about the organizational factors that tend to make values more precarious or secure) and from the contemporary neoinstitutional perspective (with its insights about diffusion processes and the causal role of the broader environment).

other early/late differences revealed in Table 3. Though we presented migration under the heading of leadership, we also emphasized that it is a mechanism through which contextual forces make themselves felt in an organization. Its declining significance over time may also reveal evidence of vicarious learning from earlier adopters.
FIGURE 2
Relative Magnitude of Significant Effects from Table 2

-20% -10% 0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100% 110% 120%

Average faculty salary (H1) -21.0%
Tenure track faculty to student ratio (H1) -36.6%
Research budget* (H1) -25.7%
Has admissions Dean* (H2) -36.6%
Tuition independence (H3) -25.7%
Geographic dispersion of student body (H4) -16.6%
Professional programs previously adopted (H5) 13.2%
President from school with enrollment management (H6) 108.1%
President from school with enrollment management structure* (H7) 98.9%
Cumulative prior adoption at field level (H8) 84.2%
Percentage of direct competitors adopting enrollment management (H9) 18.3%
Selectivity (H10) 49.3%
Selectivity squared (H10) -49.3%

a All values indicate effects of a one standard deviation change in variables unless otherwise noted. Asterisks (*) indicate effects of a one unit increase in variables.
Results provided robust support for this model. Colleges were less vulnerable to EM adoption when they had more powerful and professionalized faculty and admissions personnel, were less dependent on students and their tuition dollars, and had longer-tenured presidents. They were more susceptible to the adoption of the structure when they were led by presidents who had migrated from earlier EM adopters and when they had previously altered (and perhaps “corrupted”) their internal characters by adopting professional degree programs. Contextual factors also exerted their hypothesized effects on enrollment management adoption. Colleges were more likely to adopt when they faced middle-status pressures and direct competition from earlier EM adopters. The structure’s growing prevalence in the larger field also positively affected adoption, though this effect abated over time as EM consequences became better understood and more widely publicized.

Taken together, these findings present a picture of organizations that were simultaneously drawn to and, in some instances, repelled from enrollment management adoption. The structure proved most alluring to those colleges facing the various operative system problems that EM promises to solve, and its growing cultural prevalence appeared to mark it as an increasingly appropriate solution to these technical problems. However, these internal and external drivers of adoption were mitigated to the extent that a college had powerful internal value guardians, experienced leadership, and significant autonomy from its resource environment. The results also suggest some field-level learning, as evidenced by the declining rate of EM adoption in later years.

Our study has a number of empirical and theoretical implications. We begin with the former and move toward the latter in concluding this article. Most directly, the study implies that scholars who are interested in understanding processes of value attenuation and change should give more attention to the role that management innovations (and mundane administrative changes more generally) play therein. EM may represent an extreme example, but the basic organizational processes underlying its observed effects appear to be highly generalizable. Any administrative change that alters the internal normative and political order of an organization has the ability to generate theoretically similar (if substantively distinct) consequences (Hallett & Ventresca, 2006). Although this risk would appear to be most formidable for nonprofit organizations with some social value at the very core of their existence, the process may be no less common in for-profit contexts. A growing number of contemporary businesses are founded, for instance, with the expressed purpose of achieving various social and environmental values in addition to making profits. When these organizations adopt rationalizing management innovations in an effort to improve operating effectiveness, they may (quite unintentionally) tip the internal balance of power away from the former set of goals. Similar processes may also occur within the (perhaps smaller) population of large, established corporations that can make credible claims to serving values beyond mere profit making. A notable current example is 3M. That much-celebrated institution’s ability to realize its most prominent, self-defining value—innovation—appears to have been deeply undercut by its recent adoption of process management practices (Hindo, 2007). Evidence suggests that this prototypically rational management innovation has had similar consequences in many other corporations (Benner & Tushman, 2002).

Our research focused on understanding organizations’ ability to recognize and reject value-subverting administrative innovations. This is a particularly important concern, given that such innovations promise to solve organizational problems and often have a positive cultural valence—and do not therefore appear to an individual organization as things that obviously need to be resisted. (They are, as we have noted, incipient threats). Our exclusive focus on the adoption decision also enabled us to engage deeply with neoinstitutionalism and to employ much of its theoretical and analytical apparatus alongside Selznick’s theory. Nevertheless, the latter perspective reminds us that the initial adoption of the enrollment management structure is but one consequential moment in each individual organization’s ongoing evolution. Though such events threaten the values of an organization, these events do not determine its ultimate fate. In light of this, future research might also productively examine postadoption dynamics. Studies could, for instance, explore organizations’ efforts to contain the damage caused by value-threatening innovations, or focus on explaining the ultimate causes of their abandonment.

Our article also has a number of farther-reaching and perhaps ultimately more important implica-

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20 It is worth noting that this foreign practice (specifically, Six Sigma) was introduced to 3M by a migrant chief executive (James McNerney), who imported it from his previous employer (General Electric). Robert Nardelli exported the same practice from GE to Home Depot, with similarly negative effects on that organization’s vaunted customer service culture (Grow, Brady, & Arndt, 2006).
tions that go beyond the future study of valuesubverting innovations. These are to be found in our rearticulation of Selznick’s institutionalism and in our effort to more faithfully reconcile his theory with the neoinstitutional perspective. Although our study employed many of the latter perspective’s theoretical arguments and analytical tools, it takes its core premises, questions, and purposes directly from Selznick. We have conceptualized organizations as recalcitrant tools that exist for the purpose of achieving social values and have conducted our study of enrollment management in an effort to shed further light on the conditions and processes that frustrate and enable this all-important organizational competency. In our efforts at integration, we have portrayed our sample colleges first as autonomous entities with an inherent capacity for self-determination, and only thereafter as members of a larger institutional field. We have, likewise, presented enrollment management primarily as a disruption to an individual organization’s intricate constitutional order, and only secondarily as a manifestation of a larger, field-level cultural trend. In short, although we have clearly stressed that the institutional environment matters, we have suggested that it matters primarily because of its effects on each individual organization and its capacity for value realization.

This value-focused and organization-centric approach is clearly not the only one that can be used in reconciling these two distinct theories, and we recognize that it is likely to be less appealing to scholars who have a primary interest in institutional logics and field-level processes of diffusion and change. Nevertheless, it does have a number of clear advantages to recommend it. First, and most obviously, it encourages a basic respect for values and the individual organizations that exist to serve them. This respectful and empathetic orientation, which is ubiquitous in Selznick’s writings, is very difficult to maintain if one chooses to portray organizations (or people) as units of larger institutional systems and to reinterpret their espoused values as arbitrary social constructions, covers for narrow self-interest, or mere shadows of hidden power relationships (Heclo, 2008; Selznick, 2008). Integrity, leadership, responsibility, commitment, character, mission, and most of the other humanist concepts at the very core of Selznick’s thinking dissolve into the solution of the latter perspective(s). Second, our effort to bring Selznick into the foreground highlights the tremendous internal complexity of organizations and compels institutional scholars to recognize the persistent and ineradicable threats to value realization that exist within them. In Selznick’s view, institutional values are inherently “precarious,” and never to be “taken-for-granted”—even in very well established organizations such as those we have studied. The realization of values requires sustaining social structures, as well as commitment, foresight, and ongoing “institutional work” (what he called leadership) (Kraatz, 2009; Lawrence & Suddaby, 2006). Third, the perspective’s preoccupation with the local and immediate causes of value subversion encourages us to look for local solutions, in addition to distant, field-level ones. To the extent that organizational design, unchecked status competition, and leadership failure are the proximate causes of value subversion in higher education or elsewhere, remedies are not far to seek. Field-level “master trends,” although obviously consequential, are by no means determinative or inexorable.

Finally, and perhaps most importantly, we believe that our neo-Selznickian approach is advantageous because it enables researchers to assume a posture that is realistic, critical and empirical, but also idealistic, affirmative, and forward-looking. No one can seriously read Selznick without acquiring a deep and lasting awareness of organizational recalcitrance and human frailty. But his theory also reminds readers that there are genuine values to be achieved in organizational life and mandates equal attention to the organizational structures and processes that provide these values with their best (and perhaps only) chance for “life and hope.” We think that this unique outlook, which Krygier (2002) aptly labeled “Hobbesian idealism,” may be Selznick’s most important legacy for contemporary institutional scholarship. We hope that our study provides some small evidence of its continuing promise. Much more is needed.

REFERENCES


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