

## **Privatization Decisions within U.S. Higher Education Institutions**

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### **Abstract:**

Our study investigated the specific factors considered in a decision to privatize bookstore and/or dining service operations within U.S. public higher education institutions, and perceptions about whether the post-privatization outcomes met pre-privatization expectations. Gordon's Privatization Decision Framework was used that included 12 pre-privatization decision factors, and nine post-privatization expectation factors. An online survey instrument collected data from 140 auxiliary services professionals across the U.S. Overall, 79 (56.4%) are contracting their bookstore operations, and satisfaction with the bookstore contractor's performance generally met expectations. One half indicated their dining services operations are under contracted management, and overall satisfaction with these contractor's performance also generally met expectations. Respondents were asked to indicate the level to which their contractor met their pre-privatization goals, and 6 of 9 post-privatization expectation factors had a significant difference between the bookstore and dining services operations; for all such factors, the bookstore contractor yielded higher levels of satisfaction. Two decision factors within both the bookstore and dining services operations were found to have a statistically significant relationship which impacted the university's decision to privatize: external capital for renovation or facilities construction, and human resources/staffing issues.