

Megatrends and International Student Recruitment

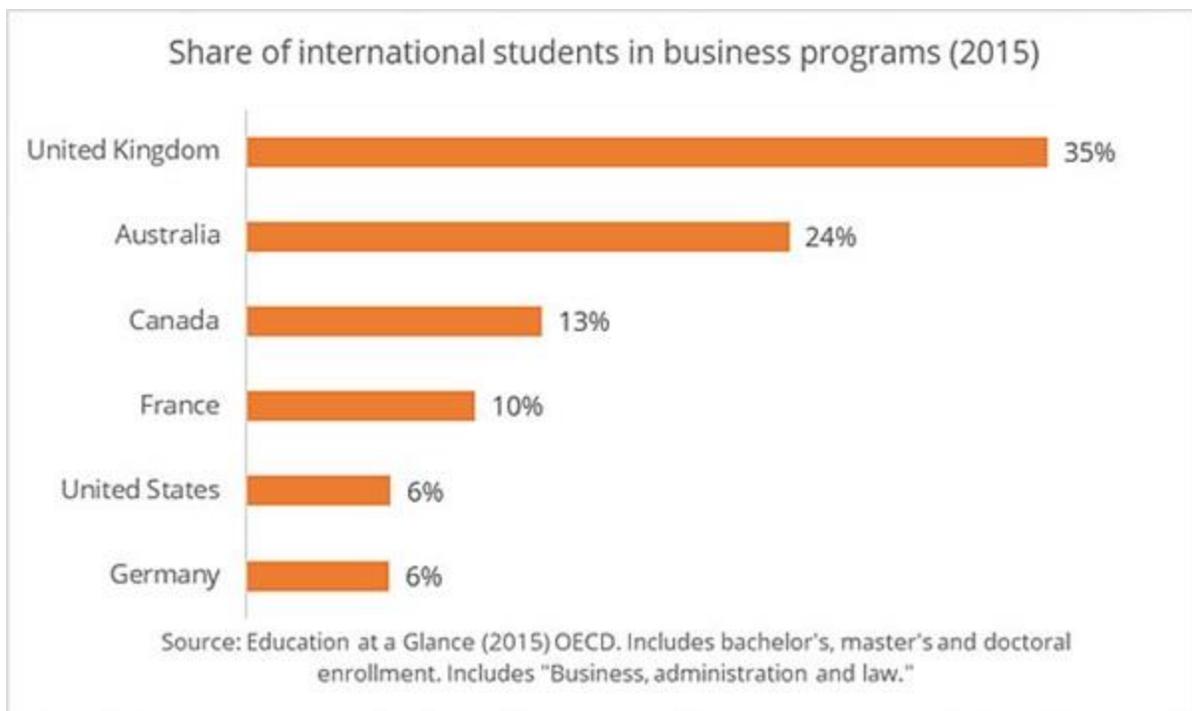
HOW TO GROW AND DIVERSIFY STUDENT ENROLLMENT AT BUSINESS SCHOOLS.

BY RAHUL CHOUDAHA • MARCH 05, 2018

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International students form a significantly smaller proportion of the total enrollment at American business schools as compared to their global peers. According to the OECD data, international students make up less than 6 percent of all business school enrollment in the U.S. as compared to 35 percent in the U.K. and 24 percent in Australia.

This indicates an untapped potential to recruit and enroll international students, especially when domestic enrollment is facing growth challenges.



However, the global landscape is changing and influencing the future offerings and directions of business schools.

A recent survey of 653 AACSB-accredited schools around the world demonstrates the importance of innovating and offering business degrees beyond the traditional MBA. In a blog post, Tom Robinson, president and CEO of AACSB International, argues that business schools must strive to meet the lifelong learning needs of individuals "because no single program is right for all individuals or for any single individual over the course of their career."

Likewise, Pankaj Ghemawat and Phillip Bastian assert in "[\(Anti\)Globalization and Higher Education](#)," which appeared in the July/August 2017 issue of *BizEd* magazine, that "in today's turbulent climate, it's more crucial than ever for business schools to pursue and promote globalization in their programs."

Responding to the shifting needs of students and the external environment is critical to the success and sustainability of business schools. This article outlines key megatrends or external forces that have the potential to transform the future of business schools. It also highlights the shifting landscape of business education, when it comes to attracting and enrolling international students and the ways that business schools can adapt and prepare for a transformative future.

WHAT ARE THE MEGATRENDS SHAPING THE FUTURE OF HIGHER EDUCATION?

In a recent report published by StudyPortals, "[Envisioning pathways to 2030: Megatrends shaping the future of global higher education and international student mobility](#)," co-authors Rahul Choudaha and Edwin van Rest assert that higher education institutions are on the cusp of a major transformation, as they are pushed to offer more relevant, affordable, and flexible academic programs.

The transformation of the world around us is the result of the interplay of eight megatrends:

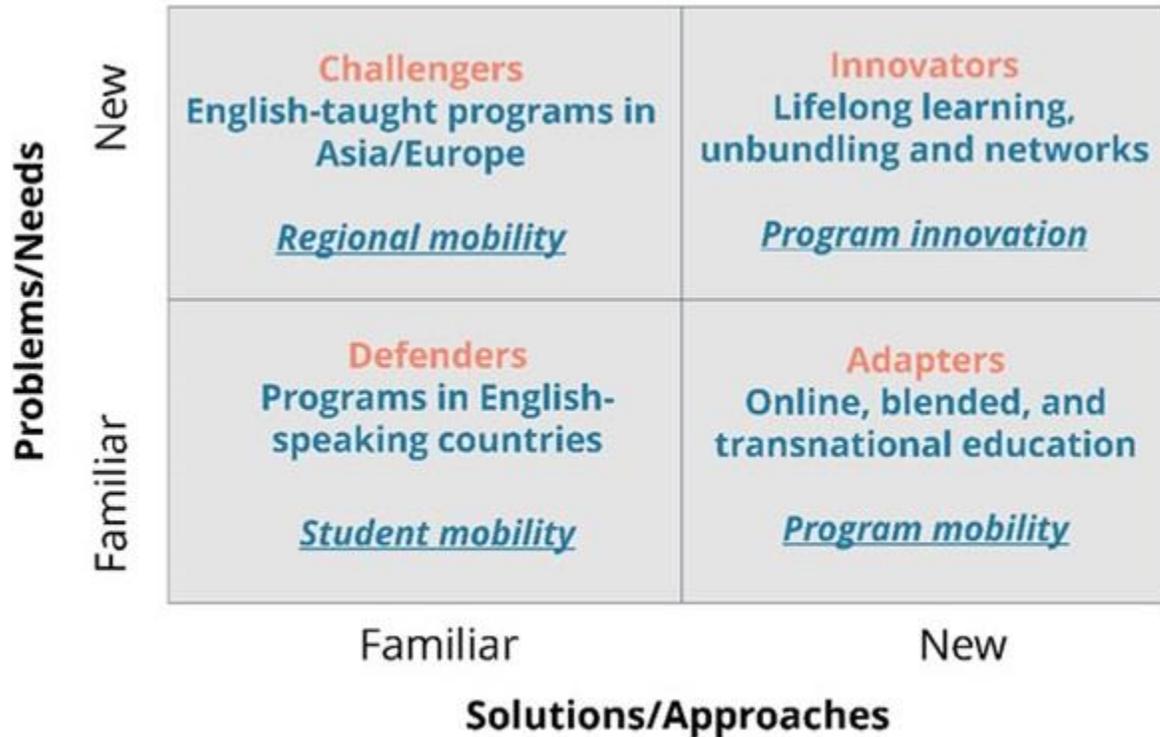
- 1. An aging world:** The challenge of finding new education and employment opportunities for an aging population.
- 2. Labor market shifts:** The increased rate of automation, which will affect the global workforce.
- 3. Skills mismatch:** The gap between what employers demand versus what education provides.
- 4. Rapid urbanization:** The shift toward cities as workers search for jobs and career advancement.
- 5. Stricter immigration policies:** Barriers that hinder mobility to high-income countries.
- 6. Economic shifts:** A dependence on emerging markets for economic growth.
- 7. Capacity imbalance:** An increased demand for goods and services in emerging economies versus a limited supply in developed economies.
- 8. Budget pressures:** A decline in public funding for higher education.

A complex interaction of these megatrends will disrupt higher education institutions—especially in high-income countries—as well as mobility patterns and choices of international students. Therefore, institutions must innovate and prepare to overcome enrollment challenges by maximizing the market potential of a new population interested in pursuing education,—through lifelong, blended, and online learning opportunities—and they must do it by recruiting adult learners and international students.

EMERGENCE OF NEW GLOBAL COMPETITION

Choudaha and van Rest also share a conceptual framework in the StudyPortals report that helps higher education institutions understand how global engagement approaches can map with the evolving market needs. The four types of higher education institutions, which will serve the market in the years to come, represent both familiar and new models.

They are outlined in the table below:



Choudaha, Rahul & van Rest, Edwin (2018). Envisioning pathways to 2030: Megatrends shaping the future of global higher education and international student mobility. StudyPortals. bit.ly/Megatrends2030

Each of these four models will face different market challenges:

Defenders offer familiar degree programs delivered in English-speaking countries through student mobility. They face competition from three other institutional approaches that offer new programs and/or address new student segments.

Challengers offer familiar English-taught degree programs in Asia and Europe. Many high-quality universities in Europe and Asia have anticipated becoming global players, and they are emerging into attractive alternatives for students in search of value for money.

Adapters offer familiar degree programs delivered through new methods of online, blended, and transnational models. They aim to provide their programs to a wider audience by changing the method of delivery.

Innovators offer new programs through new methods of lifelong learning, unbundling, and institutional networks. These approaches are fundamentally changing the manner in which we seek and deliver higher education in response to megatrends, such as demographic and labor market shifts. These new approaches unbundle credentials and deliver learning throughout the learner's career.

This framework indicates that the landscape of many institutions is becoming increasingly competitive, and it calls on business schools to design more effective international enrollment strategies.

CHALLENGES IN ATTRACTING INTERNATIONAL STUDENTS

Many business schools face additional challenges in achieving strong results with international recruitment and enrollment strategies.

Consider the case of many schools' over-dependence on China as a source of international students. In the last decade, the growth of the upper-middle class in China enabled many families to send their children—many who were their families' only children—to study abroad for their bachelor's and master's degrees. In the U.S., Chinese students form one-third of all international student enrollment. In the U.K., Chinese students form one-third of all non-EU students.

Much of this growth is concentrated in business programs. For example, data from the Institute of International Education shows that a quarter of all Chinese students are enrolled in business programs. Likewise, according to the Higher Education Statistics Agency, nearly half of all Chinese students in the U.K. are pursuing business programs.

This over-dependence on China illustrates that institutions must identify ways to diversify beyond a few source countries. Such diversification is important not only for sustaining enrollment growth, but also for ensuring positive learning experiences for all students.

However, schools that work to achieve diversification can encounter other practical challenges—declining budgets, lack of brand differentiation, and ineffective tracking of recruitment activities.

It is infeasible—and ineffective—for business schools to keep investing in travel to multiple education fairs in hopes that some students will be interested in applying to and finally enrolling in their programs. Additionally, there is intensifying competition to gain the attention of international students who are increasingly searching for and comparing their options online, making brand awareness a key challenge facing higher education institutions seeking to recruit international students.

In sum, although growing and diversifying international enrollment is a strategic priority for many business schools, it is not the easiest one to implement.

HOW BUSINESS SCHOOLS CAN GROW AND DIVERSIFY INTERNATIONAL ENROLLMENT

Business schools can overcome the challenges of achieving their international student enrollment goals first, by identifying the best-fit international student segment; and, second, by mapping the needs of that segment to a recruitment and diversification strategy that adapts to students' decision-making processes.

Consider the decision-making processes of students. It is common knowledge that digital media is integral to the decision-making processes of millennials and the members of Generation Z. Additionally, digital media is highly sophisticated in its approach to leveraging data and analytics to design and implement well-informed strategies with a focus on return on investment.

Regarding diversification goals, digital recruitment strategies can help institutions allocate their resources over a much larger number of markets. For instance, a business school can prioritize its marketing on source countries and cities that meet specific guidelines in terms of market size; it can target students who are the best fits in terms of academic preparedness and financial resources, who have demonstrated their interest in various programs. At the same time, a school can better focus its efforts to build brand awareness among this chosen student demographic. This approach not only helps

in reaching best-fit students, but also renders results more measurable, trackable, and effective for continuous improvement.

In sum, megatrends are going to shape the future of business education . The next decade will be characterized by intensified competition among business schools for talent, resources, and reputation. Attracting and growing a diversified pool of international students will become even more critical for the sustainability of many business schools. Globally relevant and impactful business schools will be characterized by their ability to attract best-fit international students through results-based digital marketing strategies.