

INTELLIGENT INVESTMENT IN ALUMNI DATABASE

Carmen, NOVAC

“Lucian Blaga” University of Sibiu, Sibiu, România, carmen.novac@ulbsibiu.ro

ABSTRACT: The global environment of the higher educational system is very dynamic reflecting the fluidity of the social, economic and political interactions, both at a national and international level, so that reducing public and private financing for education and research will have a strong negative direct impact upon the whole society’s future development.

Managing the Alumni, i.e. Alumni Database, Alumni Network and Alumni Association represent an important intellectual and financial investment taking into account the knowledge and informational society and economy we live in.

Managing the Alumni means, first of all, maintaining contact with all the graduates, stakeholders and others in order to transform their skills and knowledge into a strong support for a university to accomplish its educational and social mission.

1. SOCIAL NETWORKS

It is a world of social networks: Facebook, MySpace and LinkedIn and the world of the Millennials!

Humans have in their nature the ability of communication, of interaction, of socializing and they are trying to do that, no matter the way.

Universities should try to use this advantage and to provide tools for alumni to connect to one another in an organized way, through the help of a representative Data Base.

Alumni Organizations are unofficially created on such networks and somebody else is taking the advantage be it a social advantage meaning relations, jobs, friends, or a financial one meaning earning money for each entry, so why not apply such a schema in a centralized manner for the “Lucian Blaga” University of Sibiu.

2. INTELLIGENT INVESTMENT IN ALUMNI

Intelligent investment in Alumni and from Alumni means investing in:

- Students;
- Education;
- Knowledge;
- Intellectual abilities;
- Leadership;
- Administration;
- Networking opportunities;
- Data;
- Documents;
- Processes;
- Systems.

Sometimes universities forget that their most important asset is the “brain”, the intelligence the students come with and can be exploited to the maximum.

Alumni are to be followed, tracked and brought together as an asset. They are the link that matters and the final product of education. They have earned a degree and after being educated or well educated earn a lot of money, they also hold the future: technology.

What do universities need in an era of technology? The first answers one can give are:

- **Publicity** that leads to more students;

- **Social Connection** meaning interaction between teachers, students and graduates;
- **Returns, both in term of moral and financial aid.**

Creating an official Alumni Data Base for the “Lucian Blaga” University, as a specific example, can only mean benefits for the university.

The aim of an Alumni portal is that of bringing together all the graduates of the university for an easier social interaction. It is a sort of a WIN - WIN situation.

The idea of investing in education and knowledge is synonymous with the expression of “**educating and growing Human Capital**” and that is the first **WIN** of the equation.

The idea of having an Alumni Data Base is represented by “**exploiting the potential of Human Capital**” or tangible and sustainable returns and that is the second **WIN** of the equation. In fact, education means giving and receiving, otherwise the process could not survive.

“As we emerge from the global economic crisis, demand for university education will be higher than ever,” OECD Secretary-General Angel Gurría said. “To the extent that institutions are able to respond, investments in human capital will contribute to recovery.” [1].

Going to university, investing in your own education or your children’s education pays dividends in later life through higher salaries, better health and less vulnerability to unemployment, OECD analysis shows. In most countries, the difference in pay levels between people who have degrees and people who don’t is continuing to grow.

The 2009 edition of Education at a Glance calculates the returns on investment in education by balancing the costs of education and of foregone earnings against prospects for increased future earnings as a result of higher educational attainment. [2].

Human capital plays an important part in the process of economic growth and individuals’ labor market outcomes are linked to their educational assets.

Trying to invest in intelligence by motivating students during the educational years is in fact the process of growing an intellectual capital and a good response to this initiative is afterwards given by the Alumni as an intelligent investment.

Having a centralized Alumni Data Base and Portal of Alumni at “Lucian Blaga” University in Sibiu means having a data base of **intellectual capital** and that is:

- Educated, specialized, trained and talented human capital;
- Social value;
- Financial value.

The aim of an Alumni Data Base is to:

- Help the university meet its social and educational responsibilities;
- Offer possibility of networking between students, graduates, teachers, companies, stakeholders;
- Be a complete and correct source of information;
- Provide a space for publicity both for the alumni and university, a sort of a marketplace for human capital;
- Give you visibility of all the different job opportunities in the market in one place so that one doesn't need to consult many different websites, newspapers and agencies;
- Name the different organizations that are employing;
- Allow one to apply directly to the employer by linking directly into their career site;
- Having the possibility to donate, create a fund for the university to use it freely and openly for the students to be, offer future students the possibility to study with assistance through bursaries by creating a legal tool for acquiring all these tasks;
- Be a part of the university's different educational, social and cultural events - reunions, college anniversaries, and campaign goals.

3. WHY GIVING?

The main question that rises among working with an ALUMNI Data Base as an important source of funding is “why giving, why be a part of such an important mechanism of giving and receiving?”

According to Mann, educational advancement literature can be categorized into six theories of donor motivation. to be taken into account when speaking about the act of “giving”, as shown in Table 1:

Table 1. Summary of theoretical perspectives of giving [3]

Theory	Characteristics	Fundraising considerations
Charitable giving	There are three motivations to explain why people make donations: (1) altruism, (2) reciprocity, and (3) direct benefits; altruism is a primary motive in explaining why individuals make donations to a particular cause or charity	Alumni feel a sense of obligation towards alma mater; have pride in their association with their College; alumni feel a responsibility to make donations
Organizational identification	People define themselves (in part) by their association with the organization; they feel a strong	Alumni who feel connected to the College as an organization will celebrate the achievement of its

Theory	Characteristics	Fundraising considerations
	connection to the organization; proud parent phenomenon; celebrate the organizations successes (i.e. achieving important goals)	strategic and fund-raising goals; they will be inclined to support these goals and be motivated to be a donor
Social identification	A person's identity is influenced by how they order themselves into social groups or categories; their social identity evolves from their ordering; people develop a deep psychological connection to that group (i.e. class of students, roommates, athletic team)	Alumni maintain positive psychological connections to a group(s) from their College experience; fund-raising efforts can focus on group-specific goals to motivate alumni to make donations (i.e. hockey team, debate team)
Economics	Donors feel utility in making a gift that benefits the recipients; the more apparent the need, the more motivated they are to make a donation	When a potential donor better understands the need or value for gift, there is an increased likelihood that they will make a gift
Services-philanthropic	People's behavioural intent is influenced by three constructs: (1) service value, (2) service quality, and (3) satisfaction; these constructs shape a person's overall experience and perception of an organization	When alumni feel they receive professional service and value from their alma mater, they are likely to have a more positive perception of the organization and its fund-raising needs
Relationship-marketing	Customers have relationships with an organization ranging from transactional to highly relational; customers who have a positive relationship feel connected to the organization, whereas transactional customers view their relationship as an	Effective communication with alumni will help shape a positive relationship between the College and the alumnus; Conversely, poor communication will shape the relationship as more transactional;

Theory	Characteristics	Fundraising considerations
	exchange of services and have no emotional investment in the organization	developing positive relationships between alumni and their College will create an emotional connection that may support fund-raising efforts

4. ALUMNI DATA BASE – AN IMPORTANT SOURCE OF FUNDING FOR A UNIVERSITY

Both the decrease state funding for education and increasing costs of education has urged the need to find alternative sources of funds.

Alumni donations provide the funds needed along with the signal that alumni are proud of their alma mater. [4]

Fund-raising efforts at college and universities continue to be a top priority. It is clear that an institution's ability to realize their innovative but costly strategic goals is directly dependant on their ability to generate donations from alumni, foundations, friends, parents, and other institutional partners. [5]

In order to have an adequate Alumni Data Base a legal and theoretical context should first be established by the headers of the University, so that no latter comments upon intellectual property, rights and demands should occur.

Alumni support in the form of financial contributions is of great importance to private and public colleges and universities. Today, more than ever, the support of alumni has become a necessity for institutions of higher education to maintain academic standards of excellence. Colleges and universities have become dependent on contributions, not only

to offset tuition costs, but to also expand available unrestricted dollars and allow institutions to provide quality programs to members. Alumni financial support has become a crucial source of funding for the majority of higher education institutions. [6]

5. CONCLUSIONS AND PROPOSALS

The problem that rises after such a theoretical approach is that of educating for giving to education. Donating to one's alma mater is a behaviour that can be taught: both in a family or in an educational institution such as a university.

Special programmes or classes should also be created in “Lucian Blaga” University. Topics like investing in human capital, invest in talent, cultivate the idea of sharing / giving, the importance of philanthropy, the role of alumni must be included in the educational programme of each academic year no matter the specialization.

REFERENCES

1. Angel, Gurría, *Invest In Education To Beat Recession, Boost Earnings*, in volume Education At A Glance 2009: OECD Indicators, (2009);
2. <http://www.oecd.org>, *Education At A Glance 2009*: OECD Indicators, (2009);
3. Timothy, Mann, *College Fund Raising Using Theoretical Perspectives to Understand Donor Motives*, International Journal of Educational Advancement, (2007);
4. Terry, Neil, Macy, Anne, *Determinants of alumni giving rates*, Journal of Economics and Economic Education Research Publisher: The DreamCatchers Group, Source Volume: 8, (2007);
5. E., Farrell, *Public-College tuition rise is largest in 3 decades*, The Chronicle of Higher Education, (2003);
6. B. M., Cunningham, C. K., Cochi-Ficano, *The determinants of donative revenue flows from alumni of higher education*. The Journal of Human Resources, 37(3), 540-569, (2002)