Administrative Withdrawal Policies: ‘Good’ Policies or ‘Bad’ Ethics

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Many universities have adopted Administrative Withdrawal Policies that allow administrators to remove students from classes without the student’s permission. These policies potentially protect students but also provide a means of artificially improving key funding metrics. This study uses Agency Theory to examine over 1,100 Division I, II, and III U.S. universities and compares the usage of Administrative Withdrawal Policies to state and federal funding. Results show Division II schools receiving less state funding have adopted these policies at a higher rate than Division II schools receiving more. Recommendations for future use of these policies is provided.

Keywords: administrative policies, cultural norms, social responsibility

INTRODUCTION

Current research suggests the role of students in education is changing in higher education (HE) towards a model where students have more power (Taras, 2008) and access to education (Lively & Wardrop, 2020). This paper argues that, at least in the United States, this shift may only be symbolic since power resides with the policymakers, who may act more on their behalf than on the students’.

From a theoretical perspective, higher education has experienced a movement toward positioning the student as a consumer (Raaper, 2019). Student behavior has been theorized as a switch to neoliberalism (Foucault, 2004), where students make economic decisions in choosing their universities based on teaching and research quality (Pritchard, 2005). From this perspective, the student is obtaining more power, and the locus of power may be shifting toward the student.

A separate but similar stream of higher education research has argued for more student involvement in the assessment of their learning. Taras (2008) argued the standard assessment model does not support an integrated model of both formative and summative assessment. Using Heron’s (1988, p. 77) definition of

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power: ‘who makes decisions about whom,’ Taras states that ‘assessment is the arena where power issues are perhaps most evident in education’ (Taras, 2008, 83). Shifting some of this power toward the student allows the student to assess their progress and learn more using a constructive approach to assessment. From this perspective, allowing students to make decisions about themselves is valid and worthy.

The role of the student as an economical consumer focused on learning and employability (Gourlay & Stevenson, 2017), appears to be a reasonable means to break free from many of the institutional processes which have restricted access to education (Lively & Wardrop, 2020). However, securing adequate institutional funding is a serious concern for many university-level administrators (Liefner, 2003). In many countries, including the US, funding is distributed based on either enrollment, metric scores, or a composite. Student grades are at the heart of enrollment and these other metric scores. In particular, the number of courses passed and overall student Grade Point Average. Higher education institutions are financially incentivized based on student academic assessment.

This funding-based approach creates an agency-relationship between university-level administrators and government-level officials overseeing funding allocations to state-funded institutions. While this relationship addresses the agency issues of aligning university (agents) goals with state (principals) goals, it may not address another important stakeholder (i.e. students) issues. It may not adequately monitor university administrator behaviors used to achieve performance funding goals.

One policy that is becoming increasingly used, at least in the United States, is the administrative removal of students who are actively enrolled in courses and ‘appear’ to be in jeopardy of not passing a course. It is proposed that such administrative withdrawal policies may be adopted by many universities to potentially gain a competitive edge in funding. This behavior may run counter to meeting other stakeholder obligations, like providing students with a quality education. Administratively dropping students, with or without student consent and without a refund of tuition and fees, may imply university administrators are engaging in ethically questionable practices, potentially violating the spirit of performance funding goals and widening participation in higher education. This paper further explores these policies and discusses the implications such policies have on higher education and students.

**ADMINISTRATIVE WITHDRAWAL POLICIES**

We define an administrative withdrawal policy as a university-level policy allowing university administrators to withdraw students from a course while the student is actively enrolled. The following is an example of such a policy:

The University administration can withdraw a student from a single course, multiple courses, or the university, and revoke that student’s registration at any time during a semester or term for failure to comply with academic requirements (UWF, 2018).

As the example of administrative withdrawal policy indicates, this type of mandate gives university-level administrators the power to drop students from courses, without the student’s permission or even knowledge, for a myriad of reasons. Examples of these reasons range from failing to attend classes, and behavioral problems, and low grades in the course, which may cause the university negative consequences for funding or athletic qualification purposes. Some institutional policies allow administrative withdrawals of students through week 15 of a 16-week course. This type of policy allows administrators to potentially drop any student they believe may fail a course for any reason they see fit the day before final exams begin. To remove any ambiguity of the latitude given to administrators, some institutions have added specific language allowing them to drop students who are ‘mathematically unable to pass the course,’ thus removing any ambiguity regarding the purpose of such policies.

Additionally, when a student is administratively dropped from a course, they do not receive a grade for it, thereby avoiding a failing grade on their academic records. This avoidance of registering a failing grade artificially boosts GPAs, increases the likelihood of students being accepted into various majors, and potentially avoids disciplinary actions that may impede time to graduation. These actions may allow
universities to compete for scarce financial resources since funding is often tied to student success metrics. Therefore, the question turns to the funding from state agencies based on university classifications.

**UNIVERSITY CLASSIFICATIONS**

One way of classifying universities in the United States is by athletic division. The National Collegiate Athletic Association (NCAA, 2018b) divides universities into divisions: Division I, II, and III. Division I comprises large schools with large budgets and extensive athletic programs with the size, scope of budgets, and programs offered descending down to Division III. Divisions I and II have over 300 member institutions, while Division III is the largest of the three, with over 400 member institutions (NCAA, 2018a). The median size of Division I, II, and III institutions is 9,895, 2,514, and 1,736, respectively (NCAA, 2018b). Athletic scholarships also vary dramatically among the divisions. Division I institutions offer a multiyear cost-of-attendance scholarship, Division II offer a partial athletic scholarship, and Division III offers only non-athletic scholarships (NCAA, 2018b). To remain a member of each division, institutions must ensure their athletes meet specific NCAA educational performance standards or suffer sanctions, such as fines or probation. Administrative withdrawal policies (for institutions that have them) are one tool universities can use to ensure student-athletes meet these academic eligibility qualifications by selectively dropping students from courses they may fail.

In addition to pressure from the NCAA over meeting academic standards for athletes, higher education institutions also face pressure from state performance-based funding policies concerning student performance (Lahr et al., 2014). Many states have enacted performance-based funding metrics for universities where funding is based on meeting specific enrollment and/or academic performance measures. In some states, performance-based funding accounts for over 80 percent of total state funding (Dougherty & Reddy, 2013). Funding metrics vary from state to state, focusing on one or many aspects such as retention, grade point average, course completion, degree completion, and job placement (Dougherty et al., 2013). Administrative withdrawal policies can act as a tool to allow university-level administrators to meet certain metrics goals (i.e. graduation rates, grade point average benchmarks, etc.) by removing students who have failed a course without university intervention.

**AGENCY THEORY**

Agency theory applies to situations where one party (principal) delegates authority to another party (agent) to perform some action on behalf of the first party (Hill & Jones, 1992; Jensen & Meckling, 1976; Ross, 1973). In the case of state officials distributing funds to institutions of higher education within their states, the state officials are the principal and the university-level administrators are the agents. Agency issues arise when the agent does not act in the principal’s best interest (Eisenhardt, 1989). These types of problems tend to center on the misalignment of goals between the principal and agent and the difficulty of verifying that the agent has behaved appropriately. In theory, performance-based funding is designed to align university goals with those of the state where they serve.

Jensen and Meckling (1976) further proposed that when contracts between principals and agents are outcome-based, the agent is more likely to behave in the agent’s interest to achieve outcomes. For example, state funding may be tied to the desire to increase the percentage of students completing undergraduate degrees in four years. This may cause universities to manipulate student outcomes, acting in their interest. According to agency theory, state-funded universities may create administrative withdrawal policies to allow them to meet funding outcomes incentivized by their respective states. We propose that:

**Hypothesis 1:** Based on Agency Theory it is expected that academic institutions (agents), across all collegiate levels, will act on behalf of state administrators (principal) to create administrative withdrawal policies allowing them to withdraw students whose academic performance may prevent them from achieving academic milestones necessary to achieve the desired level of state funding.
What is considered to be ‘good’ compliance concerning agency theory depends on the viewpoint of the one determining the definition of ‘good’ (Raelin & Bondy, 2013). To some, ‘good’ may indicate value maximization (Daily et al., 2003) or doing what is necessary to maintain financial viability (Fama, 1980). University level administrators who take a financial viability perspective will likely be more likely to engage in questionable practices (i.e. dropping students at the end of the semester so they do not receive a failing grade) to meet funding requirements. As administrative withdrawal policies can be used as a method of complying with the outcomes of principal goals but not the spirit of such goals (i.e. behavioral agency), it is likely that agents who implement such policies are at a performance and funding disadvantage when compared to institutions which do not have administrative withdrawal policies. Thus these performance-funding disadvantaged universities are more likely to use policies that allow them to manipulate performance outcomes (such as administrative withdrawal policies) than institutions that are already performing at a high level (according to performance goals), leading to the following hypothesis:

**Hypothesis 2: Based on Agency Theory it is expected that institutions (agents) receiving less funding from state governments (principals) are more likely to implement administrative withdrawal policies to increase state funding.**

**METHOD**

Data for this study was collected by obtaining a list of all NCAA Division I, II, and III institutions. A total of 1,123 institutions were included in the data collection process. University-specific data was collected on division classification, funding sources, institution type, and funding amount.

Most institutions were classified by division based on the level of athletic competition. However, some institutions competed across divisions in various sports and were categorized in the highest competition division. For analysis purposes, institutions were also categorized as either public or private, with the public receiving state and federal funds and the private not receiving such funding.

For public institutions, funding was collected at the state and federal levels. This data was collected from publicly available financial disclosure statements. State funding was comprised of data presented by each institution relative to state funding, such as state contracts, grants, and appropriations. Data were collected in the same manner for federal funding, and this resulted in state data for 332 institutions and federal data for 328. Funding numbers were divided by publicly available data provided by each institution on revenues (operating and non-operating) and interest.

Finally, each institution was categorized dichotomously as ‘yes’ or ‘no’ with regards to having a formal written administrative withdrawal process that is publicly available. To obtain this data, we searched the websites of all 1,123 institutions in this study for keywords such as ‘administrative withdrawal’, ‘involuntary withdrawal’, ‘administrative dismissal’, etc. Coders then read each policy and categorized it as either ‘yes’ or ‘no’, with ‘yes’ indicating university-level administrators have the authority to drop students from a course or courses in a way that could assist them in meeting common metrics goals.

**RESULTS**

Hypothesis 1 proposed university-level administrators in all three divisions, will enact administrative withdrawal policies to effectively achieve their agency obligations to state-level administrators. The results presented in Table 1 support this proposition for Division I and II schools but not for Division III. 34.2 percent of public Division I institutions have administrative withdrawal policies in place. For Division II, 39.4 percent of public institutions have such policies in place. Division III did not follow this trend. Only 2.2 percent of public schools in this division were found to have such policies. We interpret these findings to partially support hypothesis 1 since it was supported for Division I and II schools but not for Division III schools.
TABLE 1
ADMINISTRATIVE WITHDRAWAL POLICY STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>Public Vs. Private</th>
<th>Number of Institutions</th>
<th>Institutions with Admin. Withdrawal Policies</th>
<th>% with Admin. Withdrawal Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division I</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private</td>
<td>119</td>
<td>45</td>
<td></td>
<td>37.8</td>
</tr>
<tr>
<td>Public</td>
<td>231</td>
<td>79</td>
<td></td>
<td>34.2</td>
</tr>
<tr>
<td>Total</td>
<td>350</td>
<td>124</td>
<td></td>
<td>35.4</td>
</tr>
<tr>
<td>Division II</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private</td>
<td>172</td>
<td>47</td>
<td></td>
<td>27.3</td>
</tr>
<tr>
<td>Public</td>
<td>153</td>
<td>45</td>
<td></td>
<td>29.4</td>
</tr>
<tr>
<td>Total</td>
<td>325</td>
<td>92</td>
<td></td>
<td>28.3</td>
</tr>
<tr>
<td>Division III</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private</td>
<td>358</td>
<td>0</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Public</td>
<td>90</td>
<td>2</td>
<td></td>
<td>2.2</td>
</tr>
<tr>
<td>Total</td>
<td>448</td>
<td>2</td>
<td></td>
<td>.4</td>
</tr>
</tbody>
</table>

Table 1 provides the percentage of private schools with administrative withdrawal policies for comparison purposes. On average, the percentage of policies was relatively similar for public and private schools in all three divisions. Division I has the largest spread with 3.6 percent. Notably, we could not identify any Division III private institutions with such policies.

TABLE 2
PUBLIC GOVERNMENT FUNDING BY DIVISION

<table>
<thead>
<tr>
<th></th>
<th>Number of Institutions</th>
<th>Mean State Funding %</th>
<th>Mean Federal Funding %</th>
<th>Mean Total Government Funding %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division I</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>190</td>
<td>26.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>188</td>
<td></td>
<td>12.3</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>38.8</td>
</tr>
<tr>
<td>Division II</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>100</td>
<td>34.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>99</td>
<td></td>
<td>13.8</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>48.3</td>
</tr>
<tr>
<td>Division III</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>42</td>
<td>29.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>41</td>
<td></td>
<td>8.6</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>37.6</td>
</tr>
</tbody>
</table>

Hypothesis 2 proposed a positive relationship between having an administrative withdrawal policy and obtaining state funding. As Table 2 shows, for public institutions, the percentage of state funding varies from 26.3 percent to 34.7 percent, with Division II schools included in this study relies on the highest level of state funding, by percentage, of all three divisions. Data are also provided for federal funding, with Division II institutions also receiving the most significant percentage for all three divisions, thus making Division II the most reliant of all three divisions, based on the institutions in our sample, on government funding.
Table 3 is used to interpret the specifics of hypothesis two as to the relationship between administrative withdrawal policies and state funding. Division I was found to have a very low (.008) and non-significant correlation between administrative withdrawal policies and state funding. Only two Division III institutions were identified as having administrative withdrawal policies. Therefore, calculating a correlation is not feasible.

**TABLE 3**
CORRELATION BETWEEN ADMINISTRATIVE WITHDRAWAL POLICY AND STATE FUNDING

<table>
<thead>
<tr>
<th></th>
<th>n</th>
<th>r</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division I</td>
<td>189</td>
<td>.008</td>
</tr>
<tr>
<td>Division II</td>
<td>325</td>
<td>-.228*</td>
</tr>
</tbody>
</table>

*Significant at the p< .05 level

The results for Division II stand in contrast to the other divisions. Not only do they rely more heavily on state and federal government funding than the other two divisions, but they also have differences concerning administrative policies. Table 3 shows a significant moderate negative correlation (-.228) between administrative withdrawal policy and state funding at the Division II level. This means that Division II schools that receive less state funding are more likely to have administrative withdrawal policies. Further, Table 4 shows a significant difference in the means of state funding percentage for schools with and without administrative withdrawal policies. Thus, hypothesis two is supported regarding Division II, but not Division I or III.

**TABLE 4**
DIVISION II STATE FUNDING COMPARISON

<table>
<thead>
<tr>
<th>Administrative Withdrawal Policy</th>
<th>n</th>
<th>Mean State Funding %</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>34</td>
<td>31.14*</td>
<td>.11</td>
</tr>
<tr>
<td>No</td>
<td>66</td>
<td>36.48*</td>
<td>.11</td>
</tr>
</tbody>
</table>

*Mean difference significant at the p<.05 level

**DISCUSSION**

Our results indicate that administrative withdrawal policies are a relatively common practice in Division I and II institutions and almost nonexistent in Division III schools. Further, although Division I institutions have the most significant percentage of administrative withdrawal policies, there is only a significant relationship between such policies and funding attainment on the state level for Division II schools. Thus, we contend there is something unique about Division II schools regarding the interplay between performance funding and administrative withdrawal policies.

This unique behavior regarding Division II and administrative withdrawal policies may result from a type of herd behavior. Herd behavior is when individuals who interact with each other frequently begin to think and behave in similar ways (Shiller, 1995). Sometimes this behavior leads to irrational thinking for group members (Jost, 1995). With budgets tightening in many states (Burch et al., 2019), Division II schools may feel the budget crunch more than other divisions because they rely more heavily on state funding than the other two divisions (for the studies in our sample). Further, in this study, schools at a funding disadvantage were also found to be more likely to have enacted administrative withdrawal policies, possibly to improve key metrics and, therefore, increasing their level of state funding.

Using agency theory to interpret the actions of Division II administrators, it is possible that administrators are focused more on outcome-based agency responsibilities and less on their behaviour-
based agency responsibilities (Eisenhardt, 1989). Administrators may focus on achieving metric standards and potentially violate what is considered acceptable society norms (see Solymossy and Masters, 2002 discussion on laws and society customs). Withdrawing selective students based on poor performance may improve university state funding if the University meets the metric standards. However, administratively withdrawing students without their permission, could conversely be seen as the University not living up to their agency obligations to the state or to the student. This appears to be a reasonable policy from a profit maximisation and financial viability standpoint (Daily et al., 2003; Fama, 1980). Viewing the policy from a behavioural perspective may suggest the University is not living up to the spirit of the metrics.

RECOMMENDATIONS

Our recommendations for addressing the potential use of administrative withdrawal policies, especially for Division II schools, focus on the primary stakeholder, the student. In general, stakeholder theory argues individuals within organizations should consider the interest of all stakeholders when making decisions (Jensen, 2002). One could argue that chasing state funding by meeting state-mandated metrics takes focus away from student needs. The decision to withdraw students should be made with student input, and incorporating the student stakeholder perspective ensures that decisions are made with appropriate morals and values (Phillips et al., 2003).

A second consideration is based on state funding. State-level administrators can help counteract this conflict by creating funding strategies that do not cause universities to compete for scarce funding, thereby falling victim to the results predicted by outcome-based agency theory. Selecting metrics that focus on specific student groups (athletes, first-time in college, underperforming, etc.) potentially causes students to become targets of administrative withdrawal policies since they may affect school funding. Such targeting is not moral or ethical, but it should be expected. Hill and Jones (1992) state that ‘for two entities, A and B, there is a power differential in A’s favor when B depends upon A more than A depends on B.’ (p. 134). This is the case with students and their universities, and similarly with universities and state administrators. State administrators, universities, and students are all key stakeholders in the education process. However, state administrators have power over universities, and universities have power over students. The metrics state administrators select substantially impact student lives, and students are often unaware of how these metrics affect them.

We recommend, especially for Division II schools, that behavioural-based standards and student surveys should be incorporated into funding decisions at the state level to ensure the spirit behind performance-based funding is followed by university-level administrators. These measures will help eradicate the herd mentality of unethical behaviour toward obtaining principal goals by verifying that such goals are achieved ethically by considering the needs of student stakeholders. First, any outcome-based measure of student performance (i.e. grade point average, graduation rate, retention rate, etc.) where university-level officials are responsible for reporting data should be accompanied by a survey to students asking them how they grade their University to achieve such goals. This survey should also include a comment section where students are asked to report any unethical behaviors observed at their University with regard to meeting metrics funding (i.e. involuntary administrative withdrawal, offering incompletes to failing students, etc.).

Lahr et al. (2014) identified weakening academic standards as a primary negative outcome of performance funding. They divided these outcome mechanisms into five basic categories: lowering academic demands in class, reducing degree requirements, reducing time in developmental education, grading forgiveness policies, and advising into easier courses. Although these mechanisms are not necessarily related to administrative withdrawal policies per se, they are in the same family of unethical behavioral lapses that result in outcome-based agency relationships. Monitoring costs refers to the cost (time and money) associated with monitoring an agent’s behaviour to determine if they are living up to their obligations, in this case, to their obligations to students (see Hill and Jones, 1992).

Our final recommendation is that state level administrators take more active steps to prevent such moral lapses as using administrative withdrawal policies to increase grade point averages, graduation rates, etc.
to gain performance funding. Specifically, we recommend university administrators, especially at Division II institutions, be required to submit a report with details on every student who was administratively withdrawn that, includes the date of withdrawal, reason, and how that withdrawal impacted performance funding. Also, universities should be required to submit performance reports with and without the effects of administrative withdrawals.

LIMITATIONS

The primary limitation of this study is that it relies on publicly available data reported by universities on their official websites. Some institutions likely have administrative withdrawal policies we were unable to identify because of the terminology used to describe such policies. Additionally, some institutions likely do not list all their policies online or do not update their web content regularly, resulting in a misclassification. The final limitation is regarding state and federal funding. Every effort was made to identify all terms likely to identify state and federal funding. Still, since there is no standard set of terms for these items, it is possible some state and federal funding was not accurately identified in our search.

CONCLUSION

Roughly one-third of Division I and II institutions have some form of administrative withdrawal policy. These policies are often passed with good intentions, such as public safety, where violent students can be removed from a class to protect others. However, competition between universities for state funding potentially leads to administratively withdrawing students from classes to achieve higher scores on performance funding. Based on Agency Theory, this may be too tempting for many administrators to resist, and this type of policy can easily be abused. At times, administrators may overlook their behavioral agency obligations and fall into a herd mentality of engaging in unethical practices, ‘everyone else is doing it’, to boost their performance funding scores. These moral lapses can have negative consequences for students. Herein we recommended state-level administrators add student surveys to metrics funding requirements (to enhance the worth of students as primary stakeholders) and audit the validity of each administrative withdrawal of its member institutions.

REFERENCES


