

A MULTIPLE CASE STUDY OF TRANSFORMATIONAL LEADERSHIP AT  
STRUGGLING COLLEGES

by

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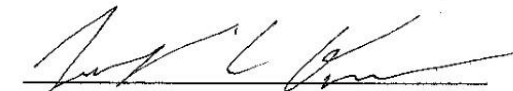
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## **Abstract**

This qualitative multiple case study sought to understand the common factors that colleges at risk of closure have to navigate to move from struggling, to surviving, and on to thriving. The primary question for this research involved the changes, and communication and governance strategies between the president, trustees, and faculty that affected positive change at small colleges and universities who successfully transformed their organizations. Data was collected through one-on-one interviews with presidents who led each institution through transformation.

This study identified similarities and differences between the cases allowing for the examination of the phenomenon in depth, using evidence obtained from interviews with those involved (*Yin, 2014*). Risk of closure was defined as schools that had a simple liquidity ratio of under 5%, who then moved to a liquidity ratio of over 10%.

Findings from this study identified six themes related to leading small at-risk colleges. These factors were common among the schools studied and are areas for consideration for schools that are working to move from struggling to thriving. These themes include; transforming the dynamic between the president and board of trustees; faculty role in organizational change; a strong leadership team as part of transformation; transparency in communication with stakeholders; impact and import of decisive and entrepreneurial leadership; and leadership background.

## **Acknowledgments**

Back in my sophomore year of college, I asked my father what he thought of me taking time off from school as I was unsure of what I wanted to pursue, or if I even belonged in college at all. He was clearly concerned that I may not return if I did take time off and he told me to finish, and that he would fully support whatever I chose to do afterward. He was true to his word, and I learned about compassion, life, and leadership not only through his support of me, but how I saw him engage with the world and specifically his commitment and passion to his profession. He modeled in his life, and his work, the behaviors and approach that have helped guide me, and he did it all with humility and a sense of humor. He demonstrated the commitment to work hard, to overcome obstacles and to continue to remain passionate about working and learning as he progressed through his life. I hope that I can provide the same role model and guidance to my daughters that he provided to me.

I dedicate this achievement to my father, and to the rest of my family and friends who continue to support me in the way that my father emulated.

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## **Chapter 1 - Statement of the Problem**

Are small colleges at risk because they can't adapt to the myriad of changes occurring in the higher education industry? Certainly, when reading recent news articles, research, and trade publications, it is not hard to find many forecasts of the demise of the small private college. Small colleges are going through a significant revolution regarding how learning is delivered and understanding how to best meet the needs of today's students. These challenges continue to be prominent as is increased pressure from changing demographics, financial stress, and the call for greater accountability. With more than 5,000 colleges and universities across the United States, it appears that the small colleges are feeling the largest impact from these dynamics (Grinder, Kelly-Reid, & Mann, 2015). With smaller financial margins, greater fluctuations in enrollment, and increased pressure to add services, an increasing number of small colleges are struggling. "Their small size, their comparatively high cost, and sometimes even their traditional pitches about the lifelong value of a liberal-arts education work against them, making their situation even more precarious than that of many larger institutions" (Biemiller, 2015, p. 1). The predominant question is whether the challenge facing small colleges is insurmountable, or are there means for these schools to survive and indeed thrive? This study focuses upon the relationship between three key college communities involved in organizational leadership in higher education and the challenges they must overcome to move a struggling institution to a thriving institution. These communities are the college president, the board of trustees and the faculty and the dynamic relationship that occurs between each.

## Challenges

Small colleges are under pressure, especially in areas that are experiencing demographic declines in enrollment. A significant number of small colleges do not have the endowments to support multiple years of decline, they are significantly tuition dependent and encumbered with systemic challenges related to aging infrastructures and operations (“Private colleges remain under the weather | Inside Higher Ed,” n.d.). These colleges are also facing external challenges including competition from for-profits, increased governmental regulations, and fluctuations in the economy.

A report issued by Moody’s Investor Service of schools in the United States, forecast that as many as 15 institutions across the country would close their doors in 2017, three times the current rate, and additional schools may merge (“Moody’s predicts college closures to triple by 2017 | Inside Higher Ed,” n.d.). The reasons listed for recent closures include financial troubles, failed mergers, annual operating deficits, and dwindling enrollment (Lyken-Segosebe & Shepherd, 2013). Like reports, combined with national coverage about recent small college closures, continue to heighten the concern. Are small colleges prepared to make the difficult decisions that may mean the difference between survival and closure? One president, speaking about the difficult decisions schools need to make, notes, “I worry about sentimentality ruling logic, and I am afraid that is happening in the isolated ivy halls,” he believes that small colleges can survive, but he adds, “you'd have to make nontraditional academic decisions” (Carlson, 2015, p. 1). With this degree of uncertainty, schools are forced to make choices on how to adapt. Do schools choose to accept the status quo, or do they make bold moves to differentiate themselves?

In America there is still the view colleges are predominantly made up of recent high school graduates between the ages of 17 to 21 years old who reside in residence halls on campus and are taught in classrooms by full-time faculty (Mellow & Woolis, 2010). In reality, most students are commuting to campus, working a significant number of hours, and are over 25 years old (Mellow & Woolis, 2010). The National Center for Educational Statistics forecasts that between 2012 and 2023 the adult learners enrolled in college will grow by 20%, nearly twice the rate of forecasted undergraduate growth (National Center for Education Statistics, n.d.). These changes and the increased competition from online programs—are intensifying the need for small colleges to adapt to survive.

### **Enrollment**

The number of students a school serves comes into play when evaluating the risk and challenges for small colleges. This is not unique to colleges but applies to the challenges that many smaller businesses face: the margins are smaller, subtle changes can have big impacts, and most have less flexibility in deployment, or redeployment of assets to respond to crisis (Graham & Nafukho, 2008). Small colleges could learn lessons from other small businesses in how to respond to a crisis. These schools need the ability to make quick moves, increase efficiencies, and understand where to cut back, as opposed to only considering a way to increase revenue (Robbins & Pearce, 1992).

Small colleges are often touted as having an advantage over their larger competitors; they offer small class size, intimate campuses, low student/faculty ratios and the chance to know the faculty. These attributes all sound appealing to marketers and admissions offices, but are they valuable? Many schools make the same claims to the uniqueness of these features, but with a large number of small colleges, this uniqueness may be a myth. The costs associated with these

claims may, in fact, be factors that are making small schools struggle. Additionally, smaller colleges face many of the same requirements for service and support that large schools provide, but they don't have the depth and financial flexibility to absorb the costs across the institution.

The issue of resources is one variable that is constantly raised for small businesses and small colleges. Without a clear and consistent funding source, private institutions may be more susceptible to decline (K. S. Cameron, Whetten, & Kim, 1987). The situation may even be worse in that conditions of both stability and decline can indicate a school is at risk of failing; getting to a growth stage may, in fact, be a key step for keeping the doors open (Cameron et al., 1987). Schools, like other small businesses, will have to weigh carefully the first initiatives they take to move forward. While regrouping has been proven a key first step for many organizations, they will need to find ways to grow (Robbins & Pearce, 1992).

### **Risk of Closure**

The higher education industry is in flux as noted in recent reports; one of which is by Deneen and Dretler (2012) which notes:

At the majority of institutions, the pace of change is slower than it needs to be. Plenty of hurdles exist, including the belief that things will return to the way they always were. (Note: They won't.) But the biggest obstacle is more fundamental: While leaders might have a sense of what needs to be done, they may not know how to achieve the required degree of change that will allow their institution not just to survive, but also thrive with a focused strategy and a sustainable financial base. (p.1)

To be successful, it may take a combination of thoughtful leadership, aligned with well-developed strategy, created in a shared and collaborative environment engaging all stakeholders.

Deneen and Dretler (2012) discuss the need to put in place this kind of *functional accountability* to ensure that schools identify and address the challenges they are facing. With the combination of financial pressures and industry change, higher education will benefit from having access to the research and data required to help guide critical decision-making. In the report *Leading by Gut or Data*, Fong and Caldwell (2016) discuss how data integration is vital for higher education to better understand, learn from, and address, both student, and institutional issues. By integrating knowledge across campus teams, organizational systems, and administrative activities, institutions can arm themselves with a more holistic approach to decision making. Leaders will need to be able to understand these indicators and use them to guide change within both their industry and their organization.

### **Organizational Dynamics**

A number of studies and articles point to the fact that there are clear warning signs of decline for colleges (K. S. Cameron et al., 1987; Cowan, 1993; Denneen & Dretler, 2012; Eckles, 2010; Lyken-Segosebe & Shepherd, 2013; Martin & Samels, 2010). These indicators can be broken down into several categories including enrollment, tuition, finance, and academic.

- Enrollment indicators include declining enrollment, a change in both selectivity and yield, a lowering of standards for admission, and an overall enrollment of less than 1000. Since many small schools are tuition-dependent, any negative fluctuation in enrollment can have a significant impact on overall revenue.
- Tuition dependency is a common challenge at small colleges, which causes any fluctuations in tuition pricing to have a measurable impact on revenue. Indicators of stressed institution include tuition discounting of more than 35%, a decline in net tuition revenue, and average annual tuition increases of more than six percent for five years.

- Financial indicators come in many forms. These include small endowments, unfunded deferred maintenance, property, plant and equipment (PP&E) assets increasing faster than revenue, and high debt. Schools in positions where finances are tight and where there are less resources to access have a harder time keeping up with no resources to get ahead.
- Add to these academic woes and maintaining the organization gets even harder. These may include schools with no online programs, systems where it takes more than a year to approve new programs, an aging faculty, low graduation rates and faculty resistance.

In discussing the 20 indicators that Martin and Samels (2010) identify in their work they are clear to note that there exists no exact formula to predict that college will fail:

A fragile college or university may not demonstrate all twenty, nor does the presence of three or four guarantee vulnerability. However, a preponderance of these twenty indicators clearly means that an institution has slipped, possibly far, from its founding vision and strength, and that some form of surgery will be required to bring it back to health (p. 9).

Still, with these indicators serving as cautionary signs, schools continue to miss or are unable to respond to these warnings. Even though they realize that something is wrong, there is inaction, or a competing series of strategies formulated in the absence of data to inform them (Cowan, 1993). This level of disorganization may be linked to the complex and nontraditional makeup of many colleges where reporting and control is stratified.

This inability to respond may point to issues of organizational culture and the ability to implement change. Organizational culture is considered the way an organization connects, communicates and functions, and while small changes seem to happen regularly, there is really

no authentic change if it is not done in a culturally-relevant context (Merton, Froyd, Clark, & Richardson, 2009). When the efforts to innovate are properly engaged, it helps lead to new sets of tasks and ideas that in turn generate different products and outcomes from what was being done previously (Malott & Martinez, 2006). This approach results in change that is meaningful if done right, but in many cases change efforts in higher education fail due to the “inability to institutionalize, sustain and propagate the innovations” (Merton et al., 2009, p. 232). These college cultures are being pressed to deliver learning in new ways ranging from changing the basic structure of the classroom experience to having to rethink curriculum, and even evaluating the relevancy of time-honored programs (Elwood, 2013).

Some of the challenges faced by higher education institutions may be embedded in the understanding an implementation of shared governance. The America Association of University Professors (AAUP) first put out a statement on this in 1920, but the more defining report is contained in the 1966 Statement on Government of Colleges and Universities formulated by the AAUP. In this statement, it notes the importance of the interplay between board, president and faculty when it states, “a college or university in which all the components are aware of their interdependence, of the usefulness of communication among themselves, and of the force of joint action will enjoy increased capacity to solve educational problems” (AAUP, 2014, p.118).

The problem is that the interpretation and implementations of shared governance has not always aligned with the idealized statement put forth by the AAUP. The report, the Redesign of Governance in Higher Education has a gloomier view when it notes, "governance system virtually makes inevitable the inability of institutions and systems to set priorities, focus missions, and implement choice among academic programs” (Benjamin, Rand Corp., & And Others, 1993, p. 28). A number of essays, studies and reports discuss the variety of views and

effectiveness of shared governance in higher education (Eckel, 1999; “Essay on a new approach to shared governance in higher education | Inside Higher Ed,” n.d.; Olson, 2009). This variety touches on many important issues that are born out in a recent survey and report published by the Association of Governing Boards (AGB) and these include how shared governance is implemented, varying views of the interconnectedness of boards, presidents and faculty, and a need to focus on outcomes, more than process.

When looking at the critical leadership that is part of shared governance Mactaggart (2011) in his book *Leading Change, How Boards and Presidents Build Exceptional Academic Institutions*, notes that “change generally will not happen if the board is not an active contributor” (2011, p. 17). Building on this point the article *Leading the University, the Role of President’s Trustees and Faculty* (Legon, Lombardi, & Rhoades, 2013) the authors state:

This collaboration requires mutual respect between boards, senior administrators, and faculty members, as well as an awareness on the part of each of the others’ roles. The *Leadership Imperative*, a 2006 report of the AGB task force on the state of the presidency in American higher education, urged those three partners to work together to set and carry out institutional priorities (p. 25).

The article goes on to note:

The best governance model is one that is collaborative and forward-looking, engaged and aware, open and transparent, inclusive and forceful. It performs like an orchestra in perfect harmony. When it is out of tune, its audiences—students, parents, corporate and policy leaders, the news media, and the public—notice quickly. Their reviews can be harsh. (p. 25)



When presidents and faculty bring different views about mission and roles to existing governance structures, it has shown to create “a conflict-ridden force further blurring the role responsibilities and expectations of the college presidency”(Fleming, 2010, p. 251)

These studies look at the dynamics of the relationship between president, trustees and faculty as a dynamic relationship. The idea that this relationship can get “out of tune” speaks to the critical nature, uniqueness and fluidity of the relationships between these three core entities. This idea that each institution’s organizational makeup and character is distinctive is not new, and it is captured in a quote by the nineteenth-century French sociologist Emile Durkheim where he notes:

It is rare to find an institution which is at once so uniform and so diverse; it is recognizable in all the guises which it takes, but in no one place is it identical with what it is in any other. This unity and diversity constitute the final proof of the extent to which the university was the spontaneous product of medieval life; for it is only living things which can in this way, while fully retaining their identity, bend and adapt themselves to a whole variety of circumstances and environments. (Durkheim & Giddens, 1972, p. 163)

### **Statement of the Problem**

Many higher education institutions find themselves unable to effectively respond when trying to adapt to changing demands and competition for students and financial viability. Organizations move slowly in responding to the needs for change, much of this may be related to existing structures and roles that have existed for more than a century in higher education. It is characteristic of colleges to have multiple leaders handling competing priorities, while none of

the leaders solely own the ability to implement and support change. These include the trustees, the president, and academic leadership and faculty.

The purpose of the case study was to identify the common factors that colleges and universities had to navigate in the relationships between this triad of president, trustees, and faculty to be able to make meaningful and effective changes to their business model.

Change is defined as the ability of the organization to work to implement meaningful structural and pedagogical change resulting in increased success for the organization and the students they serve.

Success is defined as financially struggling institutions with operating losses or small operating margins who changed major aspects of their mission, operation and offerings to move to a position of strong financial reports with annual surpluses in excess of depreciation and positive student success indicators.

### **Conceptual Model/Theoretical Framework**

Synchronicity is a critical part of many relationships; interconnectedness can ebb and flow from one area to another based on many factors. In evaluating the relationships between college presidents, trustees and faculty in leading change there needs to be a coordination of efforts. This study utilized a variation of Clark's Triangle of Coordination to look at these relationships. In developing this model, Clark utilized perspectives of organizational sociology and compared that with how universities and colleges functioned, he saw these organizations as social institutions (Clark, 1986). Clark's Triangle of Coordination is built off of this perspective, and has historically been used in a broader sense to measure the competing influences of the institution, the state and market forces on higher education. This model shows the flexibility

and expandability of the three sides of the triangle which change and move along their vertices, trustees oversight, presidential leadership and faculty participation, to account for the different dynamics of the relationship.

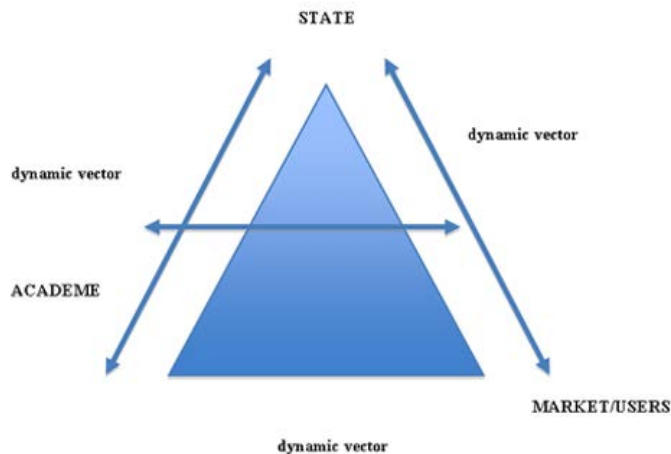


Figure 1. Clark's Triangle

Figure 1. Clark's Triangle

While there are no known studies that have used Clark's triangle to look at the relationship between presidents, trustees and faculty, a variation on the model has been noted in a slide set for a class that addressed issues of shared governance. ("Paradigms in Higher Education for Curriculum and Instruction - ppt download," n.d.). This example takes Clark's original model and modifies vertices to identify the roles of the president, faculty and board members in shared governance.

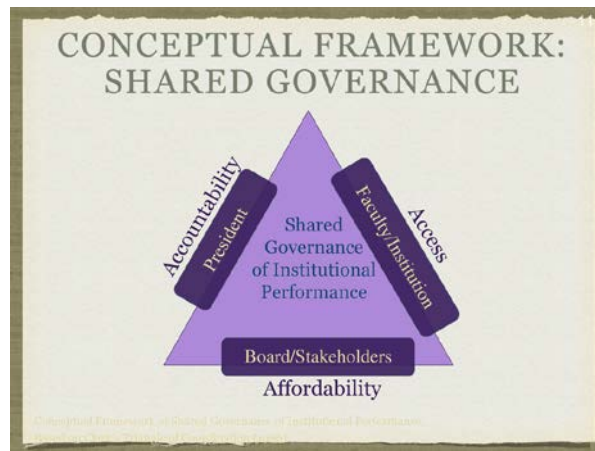


Figure 2. Shared Governance Example

Based on all these models, the framework in this study has three forces pulling against each other. These three competitive forces are Faculty, President, and Trustees as illustrated below.

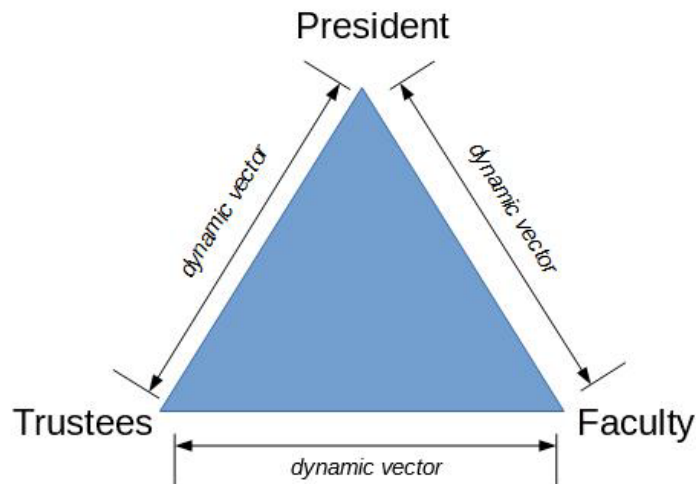


Figure 3. Conceptual Framework

## Definition of Terms

Faculty –“ The teaching and administrative staff and those members of the administration having academic rank in an educational institution.” (“Definition of FACULTY,” n.d.)

President – The chief executive officer (CEO) of the college (“Definition of PRESIDENT,” n.d.)

Shared Governance - Shared responsibility among the different components of institutional government and specified areas of primary responsibility for governing boards, administrations, and faculties.

Small College – For this study the Carnegie classification system will be used. This will encompass both the definition of four year very small schools (fewer than 1000 degree-seeking students based on Fall FTE) and small schools (1,000–2,999 degree-seeking students based on Fall FTE). (“Carnegie Classifications | Size & Setting Classification,” n.d.)

Struggling Institutions/Institutions at Risk – Utilizing publicly available non profit tax filings (IRS 990’s) and audited financial reports when available on primary and one secondary factor will be looked at to determine these institutions.

- Liquidity (primary) – Two assesment of liquidity will be reviewed. Schools that have a cash to operating expense liquidity ratio under 5 percent will be inlcuded as struggling.
  - Cash to Operating Expense Ratio: a. Purpose: To determine if the institution has sufficient cash to cover its planned operating expenses.
  - Ratio Structure: Cash to operating expenses where cash is simply cash on hand; operating expenses are the budgeted expenses for the year.

- Net Revenue (secondary) – Net revenue will be assessed and schools that demonstrate declining revenue will be considered for the study in coordination with low liquidity.

Thriving – Two factors will be looked at to determine thriving schools

- Liquidity (primary) – Two assessment of liquidity will be reviewed.. Schools that improve cash to operating expense liquidity from under 5% to a ratio of over 10% for at least two consecutive years will be included as thriving.
  - Cash to Operating Expense Ratio: a. Purpose: To determine if the institution has sufficient cash to cover its planned operating expenses.
  - Ratio Structure: Cash to operating expenses where cash is simply cash on hand; operating expenses are the budgeted expenses for the year.
- Net Revenue (secondary) – Net revenue will be assessed and schools that demonstrate improving revenue will be considered for the study in coordination with liquidity over 10%.

### **The Purpose Of The Research**

The purpose of this study is to examine the dynamic relationships between college presidents, boards of trustee and faculty at small colleges that allows struggling institutions to overcome roadblocks and become thriving institutions.

### **Research question(s)**

Primary question. What are the changes, and communication and governance strategies between trustees, the president, and faculty that affected positive change at small colleges and universities who successfully transformed their organizations?

Sub questions. What was the impetus for the change?

- In the initiation of the change what forms of resistance were encountered?
- Was there resistance between the president and trustees; president and faculty; faculty and trustees?
- How were issues of resistance addressed?
- What practices were applied to increase coordination and collaboration?
- As a result, what are the prominent characteristics of the transformed organization?

### **Significance of the Study**

Given the challenges facing small colleges and the increase in college closing and mergers, many institutions are facing complex operational and financial stresses. Just as these examples exist some schools that could potentially be facing closure have moved to thriving organizations. There is a need to look at what are the relationships within the schools and the characteristics of these small colleges that has led to their transformation and operational success. The study is intended to identify issues related to institutional dynamics and relationships that have contributed to those schools that have successfully moved from struggling to thriving.

### **Delimitations**

My predominant experience in higher education as an administrator at a struggling institution leaves me with some preconceived notions. I have experienced ongoing tensions between trustees, administration, academic leadership, and faculty.

### **Overview**

All businesses are vulnerable to ups and down and market forces, but given the significant changes in the higher education landscape, increased competition, rising tuition, and changing demographics of college-bound students, small colleges are at risk. The dynamic relationships in higher education that control governance and decision making may play a significant role on overall college sustainability. Chapter 2 looks at some of the major themes that define this risk, as well as the leadership dynamics that impact change.



## **Chapter 2 - Literature Review**

### **Introduction**

Small Colleges remain a focus in higher education as closures and mergers continue to be in the news. While financial stress is a predictor (Martin & Samels, 2010) for the eventual decision to cease operation, the underlying causes and responses occur years before the eventual demise of the organization. While some school's close, others that are at risk have survived and even thrived. While literature addresses some of the cases, there is limited research in this area. The literature that exists addresses a broad set of issues, but research that addresses the leadership relationships and response is limited. In reviewing the challenges and issues related to the topic of closures, this review identified three repeated themes in the literature, organizational effectiveness, impacts, and response for organizations in times of crisis; challenges facing small colleges, and small businesses due to external factors and changing market; and the role of leadership in impacting change and responding to crisis. Although the literature presents these themes in a variety of contexts, this paper will primarily focus on the application to leadership and decision making.

### **Method**

As available articles on this topic appeared to be extremely limited, a broad array of search terms were utilized. Research on this topic was conducted using online search engines. Specifically Summon Multi Search and the ERIC database on EBSCO. A limited amount of research was also done on Google scholar. The range of terms included higher education, organization, college, and university often combined with other key words including change, closure, crisis, disruptive innovation, failure, leadership, merger, and turnaround. The results of

these searches returned a large number of results; however, the literature that was captured through these searches resulted in limited empirical research on the topic.

The next step taken was to hand search these materials for additional source materials. This was done on each article's sources and on any relevant material found. With limited results, the search was broadened to include dissertations on the topic and these were then hand searched for their sources. Continuing to experience limited success the assistance of the electronic resources librarian at Wheelock College was utilized. While this did yield several additional articles, it also helped to broaden the search to relevant areas outside of academia that could be seen as parallel to the issues and context of the higher education environment.

The next effort included reaching out to other professionals who have researched this topic. Dr. Rick Mann, who serves as the Director of Graduate and Professional Studies and professor of Leadership and Strategy at Trivecca Nazarene University, was contacted for support. Dr. Mann also serves as a consultant on strategy for CREDO, a higher education consulting firm, and he has written books on college turnarounds. Dr. Mann confirmed that there was very limited research on this topic, but did provide a connection with a colleague who had recently completed a dissertation related to aspects of this research. Referencing the resources used in the dissertation yielded additional material.

This research has been conducted over the past several years. Materials obtained were reviewed for relevance to the content on higher education and the struggles that small colleges face. Several hundred articles were found that were relevant to the topic. This literature review synthesized these articles down to those that provided relevant empirical content.

## **Literature Review**

The research indicates that empirical studies on issues impacting small private colleges are extremely limited. While limited research was available, consistent issues facing small colleges have shown up in research over the past 50 years, often with similar themes and trends. These are related to the challenges facing higher education in the United States, but as additional research shows, this is not necessarily unique to higher education. Research also indicated that the issues that small colleges face are also identified in other small organizations outside of education.

What is clear in the literature review is that a myriad of challenges, threats and impediments to small college survival come from an expanse of conditions. According to Hammond (1984), these threats have included a shrinking number of applicants, inflation, and the cost of attendance. These business threats remain prevalent and may be more in focus today as questions are raised about the increasing costs and viability of colleges to deliver on their promise of high-quality instruction and measurable results (Powell, Gilleland, & Pearson, 2012, pp. 102–103). Clearly, small institutions often find they are in crisis before they realize.

The following five distinct areas represent the key concepts that were identified in the research. The sections include *Crisis and Organizational Response*, *Higher Education Landscape*, *Efficiency and Effectiveness*, *Organizational Culture*, and *Collaborative Leadership*.

### **Crisis and Organizational Response**

What a crisis is, and how a situation becomes defined and perceived as crisis for an organization, is based on several factors: the likelihood of loss, how much will be lost, and a perceived time pressure to respond (Billings, Milburn, & Schaalman, 1980, p. 300). In recent times we have seen a number of industries go through significant crises driven by changing

external factors. Examples include newspapers, telecommunications, and now even cable television providers. It is how these organizations respond that determines their survival; this is true for small colleges as well.

A study by Hammond (1984) looks at small colleges and the nature of how a crisis develops; this research notes that it is often not until a crisis shows up that an organization reacts. Hammond's research uses a case study of three colleges. He collected data through research, interviews and attending meetings to understand the challenges and context of each crisis. The long history of many small private colleges show that all organizations can become sedentary; however, if they react through effective use of strategy, organizational resources and leadership they can endure and prosper in the future (Hammond, 1984, p. 386). The study results demonstrated that these colleges continued to grow as long as there was a revenue stream but remained unprepared for changes to their industry. It was even noted that some schools were adding classes while enrollment was declining (Hammond, 1984, p. 379). The colleges in the study struggled to address inefficiencies and suffered from "naïve neglect" in preparing for future challenges; as long as there were more students than openings, there was little concern about external threats that might be lurking in the future (Hammond, 1984, p. 383). Once a threat is perceived, how it manifests itself was another factor considered. Certain threats are manifest – no one can miss them. But they can also be *opaque*, in that a problem is noted, but it does not rise to the level that calls for a response and plan of action (Hammond, 1984, p. 304). Hammond also brings in important concepts such as *boundary personnel*, those individuals whose optics and experience let them better evaluate external conditions that may be impacting the organization – these include the president and trustees. These boundary personnel play a significant role in how an organization reacts to a crisis. The colleges in this study demonstrated

that they were able to survive through a crisis using different strategies, but it focused on ensuring there was planning in place, that organizational resources were concentrated on results, and that leadership needed to understand how and when to say “no” (Hammond, 1984, pp. 378–386).

In another industry Billings (1980) looked at how a varied set of organizations in the gas industry handled a specific crisis by evaluating the triggering event for the crisis. This was done by looking at the existing state of an organization versus a *standard state* that might be expected. The study used the concepts of *surprise* and *planning* as separate variables which affected the perceived crisis and it evaluated how much *response uncertainty* will add to the crisis (Billings et al., 1980, p. 309). Sensing a discrepancy between the existing state contrasted with the standard state for the organization was identified as the first step in defining a crisis. The results of this study indicated that when the crisis was not perceived as surprise the ability to react and plan effectively was enhanced by “emotional inoculation” or the ability to react clearly and logically (Billings et al., 1980, pp. 311–313). While surprise is a factor in how a crisis is responded to, the study indicates that response uncertainty was not a major variable in the reactions and response to the crisis (Billings et al., 1980, p. 313). While this was a very different industry from education, the manifestation of the problem and how an organization was structured to respond was similar to the case made by Hammond (1984).

In Graham and Nafukho (2008), the similarity of threats facing small colleges to those facing small business can be noted. This research highlights that small-size businesses face a significantly more competitive environment than mid- to large-size businesses due to their size and access to resources (Graham & Nafukho, 2008, p. 4). This study was designed to determine the significance of organizational learning mechanisms and how the internal relationship and

business interactions function, to include culture, leadership, systems and structures. This research was done by selecting a unique set of firms and distributing survey questionnaires to 498 employees. The findings support those of Hammond, in that they reveal how leadership and culture were significant factors in these organizations' health. The study supported that use of inquiry, dialogue, reflection and sharing of information were critical factors in the organization development.

The focus on learning is a repeated theme in the research on addressing challenges and performance in varied organizations in crisis, including higher education. A study of mergers and acquisitions evaluated whether learning from experience gained in one context can impact future similar situations (Muehlfeld, Rao Sahib, & Van Witteloostuijn, 2012, p. 938). This study noted that knowledge and experience promote the ability to make changes to organizational practices and strategies in the future. However, the results indicate that the learning experienced in a more negative context may result in repeating and preparing for these same negative experiences (Muehlfeld et al., 2012, p. 958). This work was done through studying the outcomes of nearly 5000 mergers between 1980 and 2008 in the newspaper industry. The newspaper industry draws a parallel to education today, as it too was facing a dramatic shift in delivery methods due to changes in technology.

*Figure 4 - Dysfunctional Attributes of Organizational Decline (K. S. Cameron, D. A. Whetten, & M. U. Kim, 1987)*

Attributes	Explanations	Questionnaire Items
Centralization	Decision making is passed upward, participation decreases, control is emphasized.	Major decisions are very centralized.
No long-term planning	Crises and short-term needs drive out strategic planning.	Long-term planning is neglected.
Innovation curtailed	No experimentation, risk aversion, and skepticism about non-core activities.	Innovative activity is increasing. •
Scapegoating	Leaders are blamed for the pain and uncertainty.	Top administrators are often scapegoats.
Resistance to change	Conservatism and turf protection lead to rejection of new alternatives.	There is lots of resistance to change in this school.
Turnover	The most competent leaders tend to leave first, causing leadership anemia.	There is a great deal of turnover in administrative positions.
Low morale	Few needs are met, and infighting is predominant.	Morale is increasing at this institution. •
Loss of slack	Uncommitted resources are used to cover operating expenses.	We have no place that we could cut expenditures without severely damaging the school.
Fragmented pluralism	Special interest groups organize and become more vocal.	Special interest groups within the school are becoming more vocal.
Loss of credibility	Leaders lose the confidence of the subordinates.	Top administrators have high credibility. •
Non prioritized cuts	Attempts to ameliorate conflict lead to attempts to equalize cutbacks.	When cutbacks occur they are done on a prioritized basis. •
Conflict	Competition and in-fighting for control predominate when resources are scarce.	Conflict is increasing within this institution.

Building on the issues of crisis and threats facing industry and organizations, Cameron, Whetten and Kim (1987) look at many of the dysfunctional attributes that can impact an organization in decline or crisis. This research looked at 334 higher education institutions that were stratified by control variables including size, enrollment trends, and public versus private. This research used a questionnaire that focused on a list of twelve dysfunctional attributes (Figure 4) utilized in an effort to find a correlation between these attributes and organizational health using a five-point scale from strongly agree to strongly disagree. To evaluate how to measure the scale of change in revenue and enrollment, the survey interviewed 40 administrators to estimate the size of change that would trigger a response or put them in crisis mode. Institutions were grouped into three categories: decline, stability and growth.

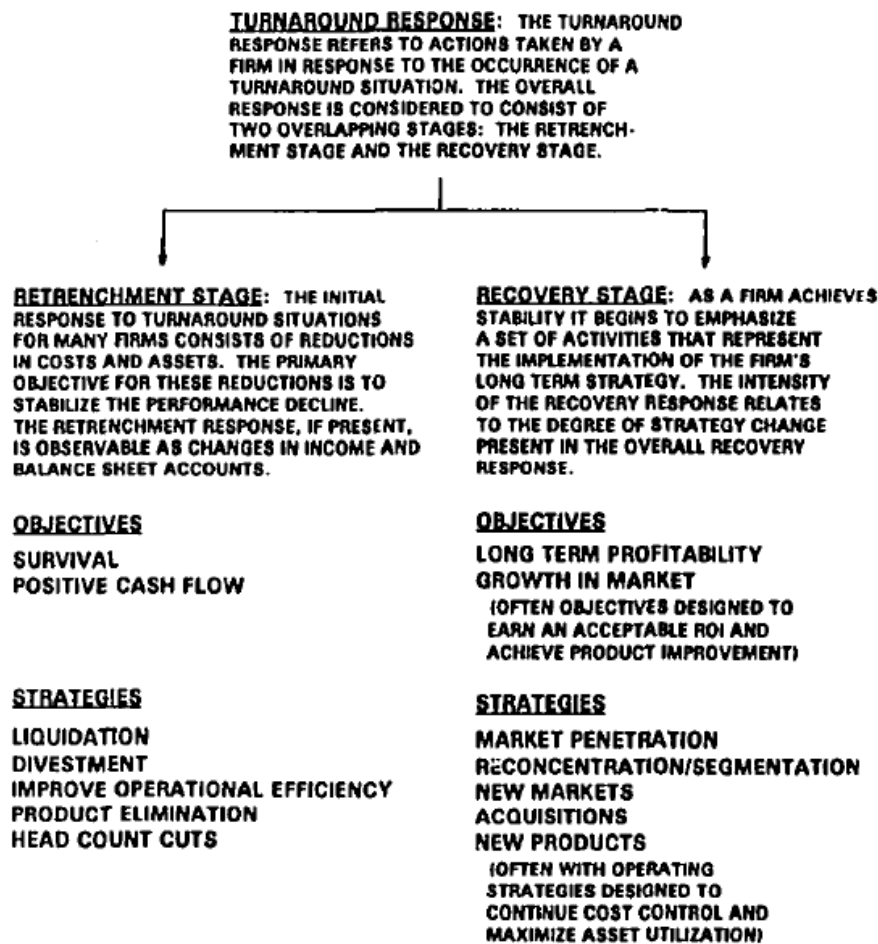
The results showed that many of the negative attributes associated with decline are significantly more characteristic of declining organizations. While that may seem logical, what

was noted was that this is more pronounced in smaller organization that are resource constrained and more vulnerable to external forces, similar to the non-education industry research of Graham and Nafukho (2008). The study also showed that both declining and stable organizations both displayed these attributes, while growing organizations seem able to avoid these dysfunctions. This work draws the conclusion that to survive and move forward organization must remain in a state of growth (K. S. Cameron et al., 1987).

The work of Robbins and Pearce (1992) views the approach to crisis and turnaround by looking at retrenchment and recovery. Their study evaluates the cause and relationship of decline and how it relates to the *retrenchment response* and the *recovery response* (Robbins & Pearce, 1992, p. 287). This study evaluated 38 firms within the textile industry that experienced turnaround situations. It was selected because the textile industry was at a point similar to where the higher education industry is today – it was facing major internal and external threats and changes. The study examined financial variables and conducted interviews with corporate officers. The hypotheses tested in this research could prove valuable in evaluating higher education. The first hypothesis was about the effectiveness of retrenchment as a turnaround strategy; the results showed that the degree of retrenchment was strongly associated with turnaround performance (Robbins & Pearce, 1992, p. 296). The second hypothesis tested the severity of the crisis. This hypothesis showed that cost and performance retrenchment correlated with improved performance in cases where there was a high degree of severity, but found no correlation when the severity of the crisis was low (Robbins & Pearce, 1992, pp. 297–298). The third hypothesis was split into two areas, looking at the relationship of external factors and internal factors and how they influenced the recovery response that was undertaken. The study found that those firms that were facing predominantly external factors responded more to market



Figure 5. Stages in a Turnaround Response (D.K. Robbins & J.A. Pearce, 1992)



conditions and quality of their products and those facing internal pressures responded by addressing operating and efficiency components (Robbins & Pearce, 1992, pp. 299–300). This study, and findings in Graham and Nafukho (2008), raises interesting challenges as they point out that healthy organizations seem to be in a state of growth, but to get healthy they may need to retrench first. This not only raises issues of operational and response approaches, but may impact public perception when choosing a retrenchment strategy.

Another way to look at organizational change was undertaken by Malott and Martinez (2006) in their study of a major university in Mexico. They evaluated the nature of

organizational complexity on the ability to respond in a turnaround situation. Declining enrollments, outdated programs, and customer complaints threatened the university, so the study was undertaken to evaluate how the complexity of the organization could be evaluated to help inform a remedial strategy (Malott & Martinez, 2006, p. 561). The study looked at environmental complexity (population, economics, government regulations, labor forces), hierarchical complexity (organizational layers) and component complexity (the number of parts that constitute an organization), proving that evaluating complexity can be used to identify areas of focus in approaching response and recovery (Malott & Martinez, 2006, pp. 561–569). While this case study was conducted at a large university, many small colleges are facing similar levels of complexity often developed over a century of operation and not attended to until threatened. The long history of operating in this complex environment can impact the ability of small colleges to respond and manage a retrenchment approach that will challenge these long-held structural complexities.

Just as complexity is a variable in organizational decline, uncertainty also plays a significant role. In longitudinal studies of two industries, the American cement industry (1888 - 1980) and the minicomputer industry (1958-1982), the authors evaluated several hypotheses: 1) the more uncertainty related to demand, the higher the organizational mortality rate, 2) mortality rates for organizations will be higher in times of significant change and lower in times of incremental change, and 3) the higher level of environmental complexity, the higher the number of failures will occur. (Anderson & Tushman, 2001, p. 675). The study was conducted using these two industries based on availability of detailed records on both industries, the significant difference in the types of industry, and the time frames involved. The findings showed that while both the level of demand and the amount of change were related to the level of industry

exit, the complexity of the situation was not a factor in the mortality rate of organizations (Anderson & Tushman, 2001, pp. 698–699). While these are non-education industries, the stressors studied affect higher education. Specifically, smaller institutions struggle with demand uncertainty from year to year, and are now currently in a time of significant change. These factors are putting pressures on education institutions along with technological change. To this point, the author notes that industry exit due to technology changes are more one-time events rather than cyclical in nature (Anderson & Tushman, 2001, p. 686).

More focused work in the education sector supports the findings in Anderson and Tushman (2001). This study looked at the closure and merger rates for four-year colleges between 1960 and 1994 (Bates & Santerre, 2000, p. 267). This study used time-series data to evaluate the extent to which college closures and mergers took place. The data show that except for the 1970's, when a large number of religious and single sex schools closed or merged, the rates of closures and mergers for colleges were half as likely as those of for-profit businesses (Bates & Santerre, 2000, pp. 268–269). The authors use the data to estimate a formula to predict college closure and merger rates. The basis of this formula is done through an analysis of key trends that most greatly impact the financial health of the colleges in question. While an increase in tuition price can help reduce the chance for closure, the likelihood of closure greatly increases if demand falls off (Bates & Santerre, 2000, pp. 274–275). As overall demand decreased, the rates of college closures and mergers increase. The study also found that tuition rate and faculty salaries served as predictors of potential closures or mergers (Bates & Santerre, 2000, p. 275).

Rather than just mergers and closures one study looks at the benefits of strategic alliances between colleges. This study conducted by Eddy (2003) looks at the alliances created between five community colleges with a total enrollment of 11,037 in 1998. These schools had

experienced a decline in enrollment of 18% between the years of 1990 and 1996, and formed as a consortium in 1996 (Eddy, 2003, p. 5). This research used both quantitative and qualitative data by evaluating data and reports and conducting interviews. The interviews included questions on goals of the alliance, barriers to change, campus reactions, and success in attaining new revenue. The results were coded to capture data like historical markers, accomplishments, effective communication, positive and negative collaborations, campus resistance and system integration. The outcomes were mixed as the data showed that while enrollment had stabilized and there were new opportunities created within the consortium, the alliance was not functioning effectively (Eddy, 2003, p. 6). These results supported that when themes like leadership, communication, organizational learning and community buy-in do not perform efficiently they directly hindered the success of the consortium.

### **Higher Education Landscape**

A number of studies evaluate higher education using different lenses. Gilmartin (1984) conducts one of the most in-depth analysis in a longitudinal study that evaluated data on almost all colleges and universities in the United States. This study used 61 indicators to evaluate institutional viability. The study used these indicators to evaluate colleges in distress by employing various measures including enrollment declines, default on loans, salary reductions, and financial performance. Most of the data was gathered from the formal reporting as part of the Higher Education General Information System (HEGIS). Of the indicators developed, many showed certain trends that could identify schools in distress, these included schools with higher debt, lower student/faculty ratio, less endowment per student, less revenue per faculty, higher room charges, and lower faculty salaries. These were used to compile a composite index to evaluate the schools more likely to be in distress. One of the limitations with this indicator was

that it worked best only in the year the distress was being felt and did not work as well in the years prior to distress to help forecast the coming challenges. When the data were broken down by categories of schools, certain trends did appear. Specifically, the schools that were more likely to be in distress included women-only institutions, predominantly minority institutions, and institutions where students had high financial need. This work does show promise in helping to predict and respond to potential risk, but the data is now thirty years old and updated data related to this index would prove interesting to see if these same factors apply today.

In looking at the higher education landscape we must also look at the changing conditions of higher education. In a more recent study Kondacki and Van den Broeck (2009, pp. 439–441) conduct a qualitative case study that evaluated data that was collected on a higher education organization (HEO) from 1998 to 2005 and included review of various institutional documents consisting of accreditation reports, and meeting notes, as well as 82 semi structured interviews, observations of meetings and classroom settings between June 2004 and June 2005. The study focused on specific change dynamics at the HEO focusing on internalization of the HEO. The result indicated that the HEO faced significant challenges in deploying the change initiative. These were related to communication, understanding of the change and why it was being implemented, issues about formal and informal networks for implementing the change (some from top down and others bottom up) and issues related to role and authority at the HEO (Kondacki & Van den Broeck, 2009, pp. 457–462). This study supports other studies review by highlighting issues related to organizational complexity, institutional learning, and culture, and calls for effecting continuous change modalities in higher education organizations.

Another question under investigation in understanding college viability is in the marketing of a school. The study done by Owston (2009, p. 126) looks at how an institution

brands itself. The environment for this study was state wide rebranding effort in West Virginia involving changing the name from college to university. This study was done with a mixed method approach using both quantitative and qualitative methods. The study looked at several issues, including what motivated rebranding, and the impact on enrollment. The results indicated that some of the rebranding efforts were driven by competition as the state was experiencing declining demographics and the colleges needed to appeal to broader audiences. The rebranding offered a chance to repackage and sell each institution in a new way (Owston, 2009, p. 131). Three of the institutions were in crisis and used the rebranding effort to revitalize the schools. The data on enrollment did not show any significant impact on enrollment growth, in fact when compared to other schools outside the study that had changed names between 1996 and 2012, the enrollment growth was lower in the West Virginia schools (Owston, 2009, p. 138).

In looking at small colleges the issue of liberal arts is often raised. Is there a market for a liberal arts education as there was in the past? A study done by Delucchi (1997) evaluates how 327 colleges claim they are liberal arts schools, by looking at how that claim is supported by curricula offered. The data for this study was gathered from *Petersons Guide to Four-Year Colleges*. The results of this study indicate that more than 68% of institutions claiming to focus on liberal arts are dominated by professional majors (Delucchi, 1997, p. 420). These changes regarding a commitment to liberal arts may very well be responsive to the needs of students wanting clear and more guaranteed pathways to focused careers with better guarantees for financial payoff. This is one aspect of the competitive market that small colleges find themselves in, and Delucchi (1997, p. 423) goes on to reason that “such inconsistencies derive from colleges’ effort to manage the uncertainty of their environments”. The author reinforces

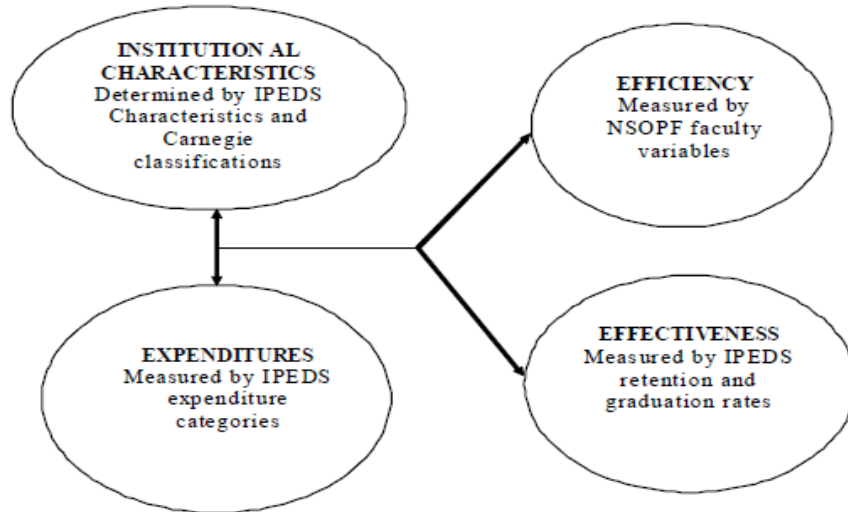
the aspect that uncertainty plays in institutional struggles for viability as noted in Billings (1980) and Anderson and Tushman (2001)

### **Efficiency and Effectiveness**

Another way schools are often viewed is how they use their resources and give a return on their investments. In a study that looks at efficiency, Eckles (2010) report uses six-year graduation rate as the method of evaluating return on investment. The study utilized the six-year graduation rates as the dependent variable and used various inputs as independent variables including student academic quality and expenditures per student. This data was gathered from various sources including the US News and World Report and the Integrated Post-Secondary Education Data Systems (IPEDS). The outcome of this work was the development of a technical efficiency score that could be used to rate colleges in a very different methodology than the US News and World Report rankings (Eckles, 2010, pp. 277–278). For those colleges that fall into the category of technically inefficient the study pairs them with schools with similar characteristics that are considered efficient; these partner schools can be used by the lower performing schools to learn from.

The author's hypothesis was supported as the results showed that a relationship existed between institutional characteristics and expenditures with efficiency and effectiveness of an

Figure 5. Hypothesized Model Adapted from “Expenditures, Efficiency, and Effectiveness in U.S. Undergraduate Higher Education: A National Benchmark Model” (B.A. Powell, D.S. Gilleland & L.C. Pearson, 2002)



institution (Powell et al., 2012, pp. 121–122). As in the prior study this model was used to group schools as highly-effective, effective, and ineffective. In contrast to studies that show issues thwarting the ability of some colleges to implement effective change, these two studies provide analytical frameworks that can potentially be analyzed to help schools demonstrate and forecast areas of focus for improvement and change.

Cameron and Smart (1998) conducted a study to investigate the relationship between financial challenges in higher education institutions and the relationship to organizational effectiveness. This study also used the set of dysfunctional organizational attributes in an earlier study in this review (K. S. Cameron et al., 1987). This work focused on 334 colleges and universities by surveying trustees, institutional administrators and academic department heads regarding financial resources, organizational effectiveness and attributes associated with decline (Cameron & Smart, 1998). The results did show a relationship between financial condition and



organizational performance with only a quarter of schools that fell into the stable or declining categories (based on financial condition) performing well. However, the addition of evaluation of performance in context of the list of risk attributes help make clearer where the problems lie for these organizations, with five of the top factors related to institutional leadership (Cameron & Smart, 1998). The study finds that a large part of how an organization responds to decline is in the hands of the managers and administrators on how they address the emerging challenge, rather than the challenge itself.

A multi-part study, conducted by the Council for Independent Colleges (CIC) undertook an effort to evaluate the cost effectiveness at 700 private non-doctoral (PND) schools in the country in a detailed report (Zumeta & Huntington-Klein, 2015). This review looks at two studies that were completed as part of this research. The first study was conducted to compare graduation rates and time to degree between PND schools and matched public institutions. In both studies, the PND schools were matched to public institutions, items used to match these schools included location, selectivity, enrollments, percentage of undergraduate students, and federal aid received by undergraduate students (Zumeta & Huntington-Klein, 2015, p. 8). The results of this study show that PND institutions outperform their matched public institutions on four, five and six-year graduation rates. The average four-year rate for PND schools was 43% from 2005 to 2012 as compared to 20% for public institutions (Zumeta & Huntington-Klein, 2015, p. 14). An assumption raised in this study was that if the costs of education were the same, then PND schools would provide a savings versus their peer public schools.

The second study within this report looks at the social costs of PND versus public higher education. This study evaluated prices for schools based on tuition rates, cost to government (federal and state aid), cost to student and families, and cost to society (Zumeta & Huntington-

Klein, 2015). Cost to society is taken by adding the value of the degree and matching that to potential earnings; this is done by matching the earning of a college graduate with the earning of a student currently in college to calculate the difference. This is then multiplied by the number of years it takes to earn a degree at the different institutions (data from the previous study) (Zumeta & Huntington-Klein, 2015, pp. 22–25). As we look at the issues facing small private colleges, cost competition from public schools is certainly one of them. In the results the data shows that the average societal cost for a degree is significantly higher for a public education especially when factoring the lost opportunity costs of staying in school longer (Zumeta & Huntington-Klein, 2015, pp. 25–26).

### **Organizational Culture**

In addition to organizational structure being a potential impediment to success, organizational culture may be an obstacle. One study that looks at culture was conducted by evaluating the ability to affect internal curricular change. This study examined the curricular change experience in two programs at a small Midwestern college. The study done by Merton and Froyd (2009) was a qualitative case study that had four interviewers conducting research by interviewing 25 faculty, staff and administrators who played a role in the curricular change process at the school. The two programs studied were the freshmen and sophomore curriculums. The data were evaluated in a number of areas; these included commitment to excellence, autonomy in teaching, sense of community, and shared governance (Merton et al., 2009, pp. 229–232). The results demonstrated that certain requirements put on the faculty in the freshman curriculum in the area of innovation (commitment to excellence) and faculty integration (autonomy) limited the success, as it introduced resistance and additional hurdles for faculty. The more flexible approach used in the sophomore curriculum proved more successful, while

still keeping to the key principles established for the program (Merton et al., 2009, pp. 229–230). The two curriculums also differed greatly in sense of community, with the freshman program being more isolated from other faculty in the school. This isolation impacted how the freshman program rated in shared governance – they functioned too independently and therefore met roadblocks that the more collaborative sophomore team was able to avoid (Merton et al., 2009, pp. 230–232).

Another look at organization culture, undertaken by Hino and Aoki (2013, p. 365), studied the perceptions of organizational failures caused by leadership, employees, and unavoidable external factors. This study involved 119 students in an organizational theory class and tested the results using two different sets of conditions for evaluation; the study was preceded by two pre-studies to test the conditions and make-up of the study. The research was specifically looking at how much the leader would be held responsible for poor performance from both outside and internal factors. The results proved contrary to the original hypothesis that the leader would be held significantly responsible in both cases. In viewing external factors there was no direct responsibility held against the leader of the organization; in viewing internal factors both the leader and the employees were held similarly responsible, but once again the leader was not singularly viewed as responsible. The role of leadership is an important aspect to consider in evaluating response to crisis situations and is an area that comes into play in other studies.

Kezar and Eckel (2002, p. 440) conducted a study on organizational culture that evaluated how organizations handle comprehensive change impacting broad parts of the organization. This study was conducted across six institutions with similar change initiatives. Data on each institution was collected over four years with outside researchers going to each

campus two times per year (A. Kezar & Eckel, 2002, p. 442). The results of the study on the main question showed a relationship between culture and change, indicating that where strategies go against the existing cultural habits they are destined to fail (A. Kezar & Eckel, 2002, pp. 455–456). The study also revealed that while some of the change process and reaction could be identified by cultural archetype, there remained a uniqueness to each campus culture that must be understood to be successful. The results indicate that culture must be a crucial factor that is fully considered in analyzing and implementing change in the higher education environment.

### **Collaborative Leadership**

Given a broad set of challenges facing higher education, the need for coordinated, effective and efficient leadership appears essential. This involves the executive leader (president or chancellor), faculty and trustees. While Martin and Samels (2009) indicated that campus engagement is a critical aspect of successful turnarounds; such engagement was defined as the ability to “develop a group of collaborative, engaged faculty, administrative, and trustee leaders” (p. 34), there is little research available that considers the dynamic relationship between these three bodies (Del Favero, 2002; Favero & Bray, n.d.; A. Kezar & Eckel, 2004). Where there is research it mostly focuses on a direct relationship between two, without factoring in the third member. This research shows how disconnects exist between these cultures. The primary research available is between administrative leadership and academic faculty. One study where this was evident was conducted on presidents at community colleges (Hornak & Garza Mitchell, 2016). This study suggested that presidents had mixed thoughts on how inclusive they should be in decision making. Several “presidents viewed decision making as a management tool that was a completely rational process without emotion or collaboration” while others “in the study utilized more inclusive and collaborative processes for decision making” (p. 128). The issue of

how inclusive a leader is may be driven by the views of higher education administrative leaders as seen in a national survey. This research demonstrated that administrators share a highly critical view of faculty knowledge and perspective when it comes to campus decision making.

The role of faculty in this process and these relationships appears critical and must be considered. In an article by Legon, Lombardi, and Rhoades (2013), they note:

From a scholarly and faculty perspective, there is an enduring need for collegial checks and balances in university governance. Three characteristics of professors make it imperative that they be involved, collectively, in organizational decision-making: They have 1) reference groups beyond the employing organization; 2) a respect for skepticism, data, and open debate; and 3) a central role in effecting enduring change, as the academy's main production workers. (p. 30)

Leaders who create environments with a sense of collective identity as collaborators who develop and share knowledge are more successful (Amey, 2006). Amey (2006) states the following about skilled academic leaders, "They lead via partnerships and teams in systems that are web-like and non-hierarchical" (p.56).

In a study conducted by Kalargyrou and Woods (2009), administrators and faculty in higher education reported that it was a challenge to keep faculty committed to strategic planning and meeting organizational needs (p.32). Bowen (2012) states that to succeed as an academic leader, it is not just university presidents and chancellors who must develop an awareness of effective board relations, alumni relations, community engagement or fundraising. Bowen (2012) also reports "Mid and first-tier administrators, such as department chairs, program coordinators

and assistant deans, should also be aware of these political landscapes so as to grasp the complex web of stakeholders driving the academic machine.”

In a literature review of effective leadership in higher education, Bryman (2007) writes “allowing the opportunity to participate in key decisions and encouraging open communication” (p. 700) is a key central value for academics. Bryman (2007) also points to numerous studies which encourage leaders to hold open communication, be open to suggestions and promote participative decision-making and a structure to support it. Kalargyrou and Woods (2009) also found that “communication,” “good goal setting” and “building collaborative and collegial relationships among faculty” (p. 32) are skills ranked highest by administrators and faculty. Fullan and Quinn (2016) discuss the cultivating collaborative cultures and the need to build “decisional capital: That which is required to make better decisions and results from the practical expertise across individuals and groups” (p. 54).

Part of this issue noted by Bowman (2002) is the distinction between managers and leaders. Bowman states, “Academic chairs function as managers when they focus on structures, policies, processes and paperwork. Academic chairs function as leaders when they focus on key aspects of organizational culture: mission, vision, engagement and adaptability” (p. 159).

Yet given that leadership and faculty seem to want the same thing DelFavro (2002) notes “The lack of scholarly attention to this topic may indeed stem from the seemingly irreconcilable nature of the relationship between faculty and administrators as partners in institutional leadership” ( p. 2)

Board of trustee engagement in the decision-making process was also researched. While the lack of research in this area limits the results, there were some findings. Fain (2007) notes a

concern in that research done on trustees at four-year colleges indicates that nearly one quarter of boards are relatively disengaged in the reviewing the presidential performance, and a report by the Association of Governing Boards (AGB White Paper, 2017) shows that nearly two thirds of institutions fail to address faculty governance in their board orientation. In research done by Hendrickson and Ikenberry (2013) they note three areas that trustees should consider in assessing presidents, these are the mission statement, strategic plan, and corresponding budget.

Perhaps the most detailed recent research was from a study done and published in a white paper by the Association of Governing Boards (2017). This work notes

While the respective areas of authority accorded boards, presidents, and faculty remain foundational, there was a meaningful shift in our discussions: the word “authority” was often accompanied by an emphasis on “accountability.” This is far more than a semantic issue; it reflects a seismic shift—particularly on the part of boards, but on the part of presidents and faculty as well—to the recognition that they are being held, and must hold themselves, accountable for the decisions to which they contribute. (p. 6).

One concern that this research raised by board members and presidents was that the time it took to make important decisions was slowed down by shared governance. This inhibited an institution from being agile and flexible. At the same time the use of the words “agile” and “flexible” were considered as code by faculty as a reason to leave them out of the decision process. Board members also felt that key decisions being made between administrators and faculty left them out of the decision process. That left them feeling unengaged and simply a final approval formality.

## Conclusion

Due to the scarcity in relevant literature on the topic of small colleges and the issues of collaborative leadership the research selected was broad. For this review the literature was divided into five themes. While the themes are wide, they help to illustrate the complexities facing these small colleges today. The findings that emerged through this review illustrate the need for a deeper and clearer understanding of what is occurring in higher education and how both higher education leaders and scholarly researchers can look for new ways in understanding and navigating the challenges ahead.

This review demonstrated that there are many ways to evaluate and consider how small colleges must adapt and understand the changing nature of their business environment. The literature certainly raises issues about the higher education structure and models that have been historically used and whether these can continue to operate without considering significant changes to how business occurs. Due to the scarcity of research in this area, there are many opportunities for future research, these include:

- Industry comparisons to other industries where the recent technological revolution has impacted content delivery.
- The study of organizational learning in the higher education environment.
- Additional research on leading indicators of crisis in higher education.
- Differences in education quality based on schools that are considered at risk.
- Case studies of at-risk schools that have thrived and what the key factors associated with their turnarounds have been.



- Case studies where higher education organizational culture was successfully shifted and the institution thrived or failed.
- Research on curricular and pedagogical change impact on college enrollments.
- The impact of new technologies and teaching methodologies on institutional health
- Research on when change can be done successfully in contrast to existing organizational culture.
- The role of leadership in organizational turnaround in higher education.

The review on the literature offers promise for better understanding of the challenges facing small colleges and future research will hopefully help to answer important questions on this topic.

### **Chapter 3-Research Design and Methodology**

This study utilized a multiple case study methodology in the research of leadership relationships within higher education, and how these relationships impact the ways in which small colleges overcame barriers to success. The study focused on these relationships from the lived experience of the president in evaluating the dynamic relationship between president, trustees, and faculty. The use of case study allows for empirical inquiry of the phenomenon where the boundaries between the phenomenon and the focus of the study are not clearly evident (Yin, 2014). Since the phenomena of a successful school turnaround have occurred at a variety of institutions the choice was made to make this a multiple case study. As Yin (2014) identifies, to do this, you must have prior knowledge of the outcomes, with the inquiry directed to understand why the outcomes occurred. The establishment of a clear set of criteria to identify struggling colleges guided the purposeful selection of the cases.

This chapter includes the methodology/research design, main research questions, the sample that was selected, data collection methods and how data was analyzed.

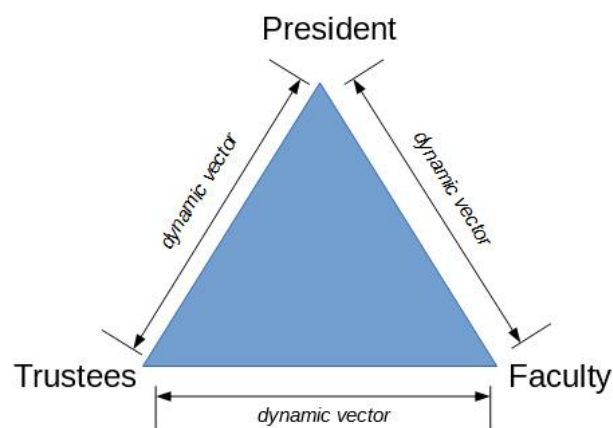
#### **Methodology/Research Design**

A multiple case study methodology was proposed for this research. By seeking input across a spectrum of organizations, the research is well suited to identify the similarities and differences and therefore answer the research questions appropriately and adequately utilizing both a within case and then a cross-case analysis of the data. The case study method has been chosen as it allowed for the examination of the phenomenon in depth using various kinds of evidence obtained from interviews with those involved as well as analysis of documents and artifacts (Yin, 2014). The case study is considered as the case, or cases under review are clearly

identifiable. The research seeks to provide an in-depth understanding of the cases. (Creswell, 2007)

In looking at a multi-case study, the researcher collects the group of cases which Stake (2013) describes as a quintain. While the single case demonstrates manifestation of the phenomena under study, it is the quintain that provides the understanding, by allowing the researcher to study what is similar and different about the cases by looking at them as a whole. The use of multiple case study allows for replication of the phenomena helping to provide additional validity for the research (Yin, 2014).

The case study approach for this research was designed using Clark's Coordination Triangle as a conceptual model. While the study looked at the main question from the point of view of the president, it will be focused on understanding the dynamic relationships that make up the triangle, president, trustees, and faculty.



*Figure 6. Clark's Coordination Triangle*

**Research question(s)**

Primary question. What are the changes, communication and governance strategies between trustees, the president, and faculty that affected constructive change at small colleges and universities that successfully transformed the organization?

Sub-questions. What was the impetus for the change?

- In the initiation of the change what forms of resistance were encountered?
- Was there resistance between the president and trustees; president and faculty; faculty and trustees?
- How were issues of resistance addressed?
- What practices were applied to increase coordination and collaboration?
- As a result, what are the prominent characteristics of the transformed organization?

**The Sample**

The sample was to be made of four to eight presidents that served at small colleges that were at risk due to declining financial liquidity. For this study, the Carnegie classification system was used to define small colleges. This encompassed both the definition of four year very small schools (fewer than 1000 degree-seeking students based on Fall FTE) and small schools (1,000–2,999 degree-seeking students based on Fall FTE) (“Carnegie Classifications | Size & Setting Classification,” n.d.).

The sample size was estimated to be between four to eight. In reviewing the literature, there seems to be no consistent or clear answer to the correct number of cases to select. Ultimately, the final size of cases should be based on the number that is required to ensure that replication of the phenomena can be achieved. In selecting the cases Stake (2013) in his book on multiple case study analysis notes, “As a general rule, there are three main criteria for selecting cases: Is the case relevant to the quintain? Do the cases provide diversity across contexts? Do the cases provide good opportunities to learn about complexity and contexts?” (p. 881-883).

The cases were to be selected using purposeful criterion sampling, where small colleges were identified that meet the selection criteria (i.e., as noted in Chapter One) and that had one president serve during the transition of the organization from struggling to thriving. The reason for using purposive sampling was to ensure that the study can focus on the essential characteristics of the population of interest; this will give the best opportunity for addressing the research questions.

The participants were to be sourced through various methods. This included researching institutions that meet the criteria of the study, and through a review of articles and published work on turnarounds that are authored by a former president who led the change or that identify a president that has led the change. The researcher planned to also work with an organization that temporarily places college presidents, often in leadership roles at at-risk institutions. These placements have been brought in to specifically lead this change for a finite period and will likely yield a number of participants. In choosing participants, efforts were to be made to select from a range of institutions based on mission, size, and location.

## **Data Collection**

Data collection was planned to be primarily through interviews. The nature of the research question lends itself to a qualitative interview approach. The research on this topic would not be easily collected utilizing surveys or other methods. Surveys would be less likely to allow the researcher to delve as deeply into the unique scenarios that would yield rich data (Maxwell, 2013).

Interviews were to be structured into two interviews per participant, the primary and the follow-up. This was a modification of the Seidman (2006) three interview series. The primary interview was to include the detail of the experience, and the follow-up was on clarification and reflection. Interviews were planned to be conducted in person at mutually agreeable sites, through video conferencing and phone conversations. Due to the limited availability for access to presidents, due to their full schedules, this approach was modified to one longer interview per participant.

The interviews were semi-structured open-ended questions. The interview questions were derived from the research questions, but are not intended to be literal translations of these questions (Maxwell, 2013). Questions will include:

- What are the primary characteristics of the organizational culture today?
  - Follow up will address internal relationships, collegiality, cooperation, coordination, change.
- Is the organization culture different from when you first started at the institution?
  - How did it change
  - What do you think were the reasons?
- How would you characterize the relationship that existed with the Board of trustees and the president during the times of stress?

- Between the faculty and the president
  - Between the faculty and the Board
- Were there areas that needed to be addressed to support the turnaround?
- Were there any reactions to the changes that were occurring?
  - By the Board? Trustees? President?
  - How were these issues addressed?
- Was there work done to increase coordination and collaboration?
- Have there been any changes in the relationship between the faculty, president, and trustees different now as compared to before the turnaround?
- What are the prominent characteristics of the transformed organization today?
- What form or venue does communication primarily take place during times of change?
- In your role as president what has been the most significant change for the President and the key relationships between the board and the faculty.

Interviews were recorded utilizing transcription software, and a backup recording was also captured.

During interviews, participants were asked for access to relevant materials related to the work done to address the operational challenges. This included, but not be limited to news articles, letters, memoranda, e-mails, and other personal documents, such as diaries, calendars, and notes; agendas, announcements and minutes of meetings, and other written reports of events; administrative documents, such as proposals, progress reports, formal studies or evaluations and other internal records (Yin, 2011). Due to concerns about confidentiality presidents were reluctant to share additional information.

### **Plan for Analysis of Data**

Interviews. All interviews were recorded with a transcription software application, a second back up recording will also be captured. Notes were taken related to the interaction especially those that cannot be picked up on the recorded audio. All interviews were transcribed using the transcription software and were reviewed by comparing the audio to the transcription.

The researcher developed a careful review process for all data collected. In analysis of the data Maxwell (2013) is careful to note that,

reading and thinking about your interview transcripts and observation notes, writing memos, developing coding categories and applying these to your data, analyzing narrative structure and contextual relationships, and creating matrices and other displays are all important forms of data analyses. (p. 105)

Once the data was reviewed and transcribed first cycle coding was completed. While the researcher considering using in-vivo coding capturing the voice of the participant the final decision on coding was based on initial review of the data that is collected. In addition to in-vivo coding, other elemental coding methods were evaluated including causation coding and process coding. One other method under consideration was the use of dramaturgical coding. This type of coding is appropriate as it explores intrapersonal and interpersonal participant experiences. The researcher feels this may help to identify the relationships as outlined in the framework for this study. As Saldana (2013) indicates, coding decisions can happen before, during or after an initial review of the data. The selection of these coding styles as potential approaches is driven by the nature of these styles to elicit the essence of the data that is collected



but in different manners. Throughout first cycle coding, the researcher made analytical memos as part of the approach to capture connection, new discoveries, and other insights.

According to Saldana (2013), once first cycle coding is complete, the researcher can continue to elicit meaning for the research by reflecting on and evaluating what has been captured and synthesized. The researcher will use techniques like code mapping or code landscaping to prepare in advance the research and as part of second cycle coding. Utilization of these methods will help reshape the data in new ways that can elicit additional information through analysis and visualization. The researcher will then transition to second cycle coding to further analyze the data. The primary method planned utilized in second cycle coding was pattern coding as it is designed to help elicit major themes, rules, causations, and explanations of the data. This type of coding is also useful in reviewing the dynamics of human relationships that are likely.

Documents and other artifacts. In addition to the interviews, documents and archival records were to be collected and reviewed where available. This was to include but not be limited to news articles, letters, memoranda, e-mails, and other personal documents, such as diaries, calendars, and notes; agendas, announcements and minutes of meetings, and other written reports of events; administrative documents, such as proposals, progress reports, formal studies or evaluations and other internal records (Yin, 2011). Bowen (2013) states that by “examining information collected through different methods the researcher can corroborate findings across datasets” (p. 28) Yin (2011) notes that when archival evidence is used and relevant it is imperative that the researcher be careful to understand the conditions under which the information was produced as it might impact its accuracy and relevance as it pertains to the study.

Saldana and Omasta (2017) suggest that the researcher should keep analytical notes or bullet points to capture the main themes in any document reviewed. These notes will be connected to create a narrative for these documents to be brought into the review process.

For both interview and document analysis, software was utilized to aid in and supplement the analysis. The researcher is utilized MAXqda to help organize, analyze and store data. This software helped identify, link and interrelate helping to enhance the overall data analysis (Creswell & Creswell, 2018).

### **Ethical Considerations**

In conducting this study, the researcher ensured the protection of participants and followed the guidelines provided by the University's Institutional Review Board (IRB). The researcher followed informed consent protocols to ensure that participants were protected. This included getting permission from IRB prior to beginning any process of collecting data. All participant involvement in the study was voluntary and participants retained the ability to withdraw from the study at any time. Participants invited to take part were notified orally and in writing about the goals of the study as well as the data collection, analysis, and storage methods that are used in the study.

The researcher approached each participant in a thoughtful and caring manner to ensure that they were fully informed about the study and any potential issues or concerns that may arise. Prior to conducting the interview, every participant signed a consent form signifying his or her desire to be included in the study. The researcher was committed to verbally informing the participants of their rights during the study and did not use any deceptive or misleading practices in gathering the information (Creswell, 2007) .

### **Delimitations and Limitations**

This study confined the research involved to participants from several institutions. While the individuals interviewed provided perspectives from a critical role as president, the issue being studied is being looked at primarily from that one perspective through interviews. Other documents in the study may provide additional perspectives, but the researcher realizes that using one primary source for interviews was a potential limitation. Due to the qualitative nature of this study, the findings are not generalizable, however they can provide insights into the nature of the issues facing small colleges.

There was potential for researcher bias as the researcher's predominant experience in higher education as an administrator at a struggling institution leaves me with some preconceived notions.

### **Summary**

This chapter reviews the methodology and research design, main research questions, the sample that will be selected, data collection methods and how data will be analyzed. The choice of conducting a qualitative multiple case study will allow the researcher to evaluate each case on a within-case and cross-case perspective. Using Clark's Triangle of coordination as the theoretical framework, presidents of colleges that have overcome challenges were interviewed to assess the nature of the relationships between the president, the faculty, and the trustees. This data was coded and analyzed to answer the question as to what are the changes, communication and governance strategies between trustees, the president, and faculty that affected constructive change at small colleges and universities that successfully transformed the organizations?

## Chapter 4 - Findings

### Introduction

“Enrollment is dwindling. Deficits are mounting. And more closures are looming: that's the prediction of many higher education experts, who are concerned about the future of small private colleges in America,” as stated in the introduction to the article *Private Colleges In Peril: Financial Pressures And Declining Enrollment May Lead To More Closures* (Eide, 2018, p. 35). This headline and article are consistent with conversations occurring for many small colleges. The changes occurring to the educational landscape have indeed put increased pressures on small colleges; however, some of these colleges that are predicted to fail or are in fact on the precipice of closure, do survive. This study emanates from this premise, that small schools under pressure can be turned around, and these turnarounds are an outcome of the creation of a balanced organizational approach that is directly linked to the relationship between three key college communities. These communities are the college president, the board of trustees and the faculty and the dynamic relationship that occurs between each.

This chapter will review the primary questions investigated, the purpose of the research, the research methods, data analysis, and data trustworthiness. The chapter will present the themes and findings from the research. The summary of these findings is based on in-person interviews with five college presidents that have taken schools from near closure to a position of growth and organizational health. The research which examined the dynamic relationships between college presidents, boards of trustee and faculty at small colleges that allows struggling institutions to become successful resulted in five themes. These include managing the Board of Trustees, faculty's role in effecting change, the importance of the leadership team, the

president's communication style and change strategy, and the impact of the president's background.

### **The Primary Question**

The primary question looked at for this research were the changes, and communication and governance strategies between trustees, the president, and faculty that affected positive change at small colleges and universities who successfully transformed their organizations. The sub-questions focused on the experiences of each president on how their interactions with these critical stakeholders allowed for them to effect change at the institution. While the initial sub-questions focused on hurdles or obstacles in the form of resistance that each president encountered, the concept of resistance was not a significant issue raised by these leaders. None of the presidents talked about their challenges in terms of resistance, as their perceptions were driven by their need to effect positive change. Rather than resistance, each president talked about transparency, communication strategy, team building, and executive decision making, management of the board, as methods that they undertook to effect change in each environment.

### **Study Design**

This study utilized a multiple case study methodology in the research of leadership relationships within higher education, and how these relationships impact how small colleges moved from financial struggles to more favorable financial metrics. By seeking input from multiple organizations, this research methodology is able to identify similarities and differences between the cases. This approach allowed for the examination of the phenomenon in depth using evidence obtained from interviews with those involved (Yin, 2014). This research methodology seeks to provide an in-depth understanding each of the cases. (Creswell, 2007)

In looking at a more than one case, the researcher was able to gather a group of cases which Stake (2013) describes as a quintain. While the single case demonstrates the manifestation of the phenomena under study, it is the quintain that provides the understanding, by allowing the researcher to study what was similar and different about the cases by looking at them as a whole. The use of multiple case study allowed for replication of the phenomena helping to provide additional validity for the research (Yin, 2014).

Each case in the study was a unique institution of higher education which approximated the search criteria of the study. The study collected information by the researcher meeting with the president from each institution in a one-on-one interview.

### **The Participants**

In selecting the participants, the researcher was looking at schools that had been at risk of closure. Risk of closure was defined as schools that had a simple liquidity ratio of under 5%, who then moved to a liquidity ratio of over 10%. A requirement for the research was that the change occurred under the leadership of one president. For this liquidity measure the following ratio was used:

- Cash to Operating Expense Ratio to determine if the institution has sufficient cash to cover its planned operating expenses.
- Ratio Structure: Cash to operating expenses where cash is cash on hand; operating expenses are the budgeted expenses for the year.

Each case was to be defined as one meeting the selection requirements and of an institutional size to be considered a small or very-small college. For this study, the Carnegie classification system was used to define small colleges. This resulted in the inclusion of four-

year very-small schools (fewer than 1000 degree-seeking students based on Fall FTE) and small schools (1,000–2,999 degree-seeking students based on Fall FTE) (Carnegie Classifications, n.d.). The size of the school was measured at the time that each president was appointed.

The sample size that was targeted was to include four to eight cases. The rationale for this size was that the research required enough cases to ensure that replication of the phenomena was achieved. In selecting the cases Stake (2013) in his book on multiple case study analysis notes, “As a general rule, there are three main criteria for selecting cases: Is the case relevant to the quintain? Do the cases provide diversity across contexts? Do the cases provide good opportunities to learn about complexity and contexts?” (p. 881-883). The researcher was able to meet these criteria in the cases that were selected.

The cases were selected using purposeful criterion sampling, where colleges were identified that met the selection criteria (i.e., as noted in Chapter One) and that had one president serve during the transition of the organization from struggling to thriving. The participants were sourced using various methods. With more than 4,000 colleges to select from the researcher utilized the following approach to source schools for this study.

- Subject matter experts were utilized to identify possible schools that would meet the requirements of the study.
  - The researcher worked with an organization that temporarily places college presidents, often in leadership roles in at-risk institutions. The knowledge and experience of this organization provided insight on leadership experiences and institutions that matched the selection criteria.

- The researcher worked with a higher education search firm with knowledge of presidential profiles and placements that could meet the selection criteria.
- The researcher worked with a current college president that has served as president of four separate institutions, and had been involved in turnarounds. This individual was able to share references to colleagues and institutions for evaluation that would meet the criteria.
- The researcher conducted a literature review for institutions that meet the criteria of the study, and through a review of articles and published work on turnarounds.

The results of these efforts yielded 32 potential schools for the study. Once these schools were identified, the researcher worked to confirm that the schools met the metrics for liquidity defined in the research. This was done by obtaining a researcher license for GuideStar. “GuideStar is the world's largest source of information on nonprofit organizations” (“GuideStar nonprofit reports and Forms 990 for donors, grant makers, and businesses,” n.d.). After review of each school on GuideStar twelve schools were identified as being at risk of closure with liquidity below five percent. One school was included in these 12 due to the liquidity ratio being at 1% within several years prior to the president's arrival. The research on this school indicated that this president was the primary architect of the school's financial health and resurgence. While each of the schools not included in the study had remarkable stories of success, they were not clearly on the precipice of financial exigency desired for the study. After further review two of the schools did not meet the requirement of increasing liquidity above ten percent during the leadership under one president.



Once the ten remaining schools were selected a final review of the schools was conducted with the subject matter experts. This review identified one school whose financial turnaround was explicitly linked to the fundraising. This school was eliminated as the study was targeted at organizational change that enhanced traditional revenue. The researcher then reached out to each of the nine presidents that led the institutions during this time of change. This included current and former leaders. Of these nine presidents, four agreed to participate, two did not respond, two refused to participate, one agreed but then stopped responding. With the pool at four, the decision was reached to add back in one of the schools that did not yet get to ten percent liquidity. The rationale for selecting this school was that it represented a president that had made a significant impact moving liquidity from one percent to five and one-half percent in just the first few years at the school. This resulted in the final pool of five participants.

All the schools that were selected came from Northeast or Mid-Atlantic regions of the United States. Of the participants four were men, one was a woman. All participants were white. The ages of the participants ranged from mid-'40s to mid-'70s. The tenure of presidencies varied with one at three years, three ranging from six to nine years, and one exceeding 20 years. The following chart is a summary of the participant schools and their respective financial health.

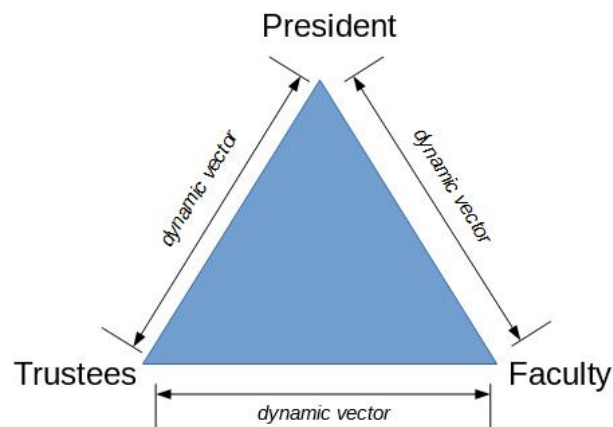
*Figure 7 – Chart of participants with liquidity and net revenue*

	Starting liquidity	Ending liquidity	Starting net revenue	Ending net revenue
school 1	1.10%	5.50%	-5 to 0 M	10 to 15 M
school 2	2.20%	10.13%	-5 to 0 M	5 to 10 M
school 3	0.07%	43%	-10 to -5 M	10 to 15 M
school 4	9%	18%	5 to 10 M	40 to 45 M
school 5	2%	21%	-5 to 0 M*	0 to 5 M

It is important to note that no one measure alone can successfully represent the overall health of each institution. These measures were taken in the context of the real-world experiences of the institutions. Each school selected, and each leader interviewed, identified the critical financial issues facing the organization. One example is that three of the schools were at risk of failing to make payroll (as identified by the president), several were experiencing operating losses, and two identified misallocation of capital funds to solve operating issues. It was the collective evidence of all these factors that were utilized in the selection of the participants.

### Research Framework

The framework used for this research was designed using Clark's Coordination Triangle as a conceptual model. While the study looked at the central question from the point of view of the president, its planned focus was on understanding the dynamic relationships that make up the triangle between president, trustees, and faculty.



*Figure 8. Clark's Coordination Triangle*

Through the data collection, the researcher discovered that triangle framework resonated with the participants, but as the findings will note, other variables came into view through each of the interviews.

### **Data Collection**

Data collection was conducted primarily through interviews, with supporting data being gathered from articles and other published materials directly related to the president's leadership. Interviews were used, as the essence of the experience would not be easily captured utilizing surveys or other methods. Surveys would be less likely to allow the researcher to delve as deeply into the unique scenarios that would yield rich data (Maxwell, 2013).

Interviews were structured through in-person interviews with each participant. A list of questions (Attachment A) was prepared to cover the main areas of focus and to address the research question. These questions were grouped by subject areas of inquiry. This outline was used by the researcher to conduct each of the interviews. The interviews used semi-structured open-ended questions.

The initial plan was to potentially conduct two interviews with each president, allowing the researcher to reflect and follow up with additional questions. Due to the difficulty of scheduling each interview and the availability of each leader, the research was modified to utilize just the one interview. As needed the researcher allowed for email follow up if needed for clarification or further questions. This approach was utilized only in one case, following up on the first interview conducted. The interview was structured to allow for each participant to provide historical data, follow up with the experience that they had as the leader of the institution, and provided time for reflection. Due to schedules, each interview was kept to under

one hour with most taking between 50 and 55 minutes. Once the interviews were completed, they were transcribed using automated software and then checked for accuracy by the researcher by reviewing the recordings.

## **Analysis of Data**

### **Interviews.**

The researcher developed a careful review process for all data collected. In analysis of the data Maxwell (2013) is careful to note that,

reading and thinking about your interview transcripts and observation notes, writing memos, developing coding categories and applying these to your data, analyzing narrative structure and contextual relationships, and creating matrices and other displays are all essential forms of data analyses. (p. 105)

This process began with primary coding of the data. The researcher utilized the software MaxQDA, a qualitative data analysis tool to categorize and code each interview. The researcher used multiple methods of coding to elicit meaning from the data. These included in-vivo coding, apriori coding, process coding, and dramaturgical coding. Each of these methods yielded a significant number of coded items with in-vivo yielding 312 coded items, process coding yielding 336, apriori yielding 225 and dramaturgical coding yielding 108. As Saldana (2013) indicates, coding decisions can happen before, during or after an initial review of the data. The selection of these coding styles was reflective of the experience of the researcher and designed to elicit the essence of the collected data but to do so in different manners. Throughout the coding process, the researcher made analytical memos to capture the connections between the coded items and to note discoveries, and new insights.

Once first cycle coding was complete, the researcher reflected and studied the results. In addition, the researcher utilized the power of the MaxQDA software to look at the relationships between codes and the different coding systems which allowed the initial codes to be reviewed and broken down from broad categories into specific terms. The researcher also utilized built-in tools including; the use of code maps to create a more two-dimensional view of the codes that were developed; word maps of each interview compared to one another, and then grouped as a whole; a code by code comparison across all interviews. This software was utilized as it can help identify, link, and interrelate data enhancing the overall analysis (Creswell & Creswell, 2018).

In second cycle coding, the researcher took the results and reflections and utilized two similar methods to elicit the main themes observed in the coding. These methods included pattern coding and clustering. Both approaches allow for creating connections between the main thematic elements of the research.

### **Documents**

In addition to the interviews, news articles and other related documents were reviewed. Most were articles about the transformation occurring at the institution published in newspapers and magazines. Several articles were discovered that were written by a member of the institution or leadership team that reflected on the transformation rather than merely the change in leadership. These articles related to the leadership of each respective president and were collected through an internet search using both the multi-search tools as part of the SNHU library resources and through google searches on each institution. Each of these was reviewed and coded separately and only after the primary coding on the interviews was completed. This was

done to identify if there were similar patterns represented in the materials and to seek out any outliers not discovered in the interviews.

The following findings are an outcome of research that was conducted to address the research question.

*What are the changes, and communication and governance strategies between trustees, the president, and faculty that affected positive change at small colleges and universities who successfully transformed their organizations?*

### **Finding I – Transforming the President- Board of Trustees dynamic**

One area that all presidents discussed as being part of their success was their work with their board of trustees. Each president inherited slightly different situations with the boards that were at the College. In each case, they worked to effect change in the board that shifted how the board operated, contributed to how the board continued to evolve, and addressed areas of communication. In each case the chair of the board was recognized as a critical element in effecting a balanced role for the board that allowed the institution to make change.

While the Board themselves took the action to bring in the new president, four of the five presidents immediately identified concerns with how the board had been operating. These issues are highlighted below.

*The board was meeting too often and getting nothing done.*

*With the college struggling the board balkanized over who was at fault, the CFO or the president.*

*The board was in transition. They were fighting among themselves. The board chair was peddling the place to other schools for takeover.*

*Several members dropped off because they didn't want their names associated with a failing institution. Two of our trustees went on their own and approached other schools about taking us over without the knowledge of the rest of the board and the president.*

*The majority of the trustees were kept without regular updates until they would come to a meeting. They would come four times a year and then be handed a financial report that was abysmal, and a recruiting report that was anemic at best. And so, what, what were you left to think?*

*The chair of the board was also very close to the previous president, and there was not a lot of rigor in terms of the board meetings or the questions.*

### **Implementing Changes to Board Structure**

With these issues arising the presidents immediately addressed board structure by effecting the way the board engaged with each other and with the president. Boards were

meeting too often, not sharing information and the prior presidents in some instances were insulating the board from the information that should have been more transparent.

*We did some change in the sense of how frequently the board met. It was meeting too often and getting nothing done, and then we also worked augmenting with the new membership.*

*In the overall operation of the board, each president worked to make changes in how the boards operated. One president had a board that was meeting ten times a year, and he reduced that schedule of four times a year.*

*We were meeting 10 times a year .... so we went to four times a year, and strengthened the committee work. It was a matter of just getting more organized .....,but again, the substance of changes came by undertaking some strategic issues*

President opened up access for the board to hear from others and involved more leaders in these meetings.

*The former president had strict rules. Nobody other than he was to talk to any trustees. He operated it as if it was him and the board. And that was 28 people. Trying to get 28 humans to agree to anything is impossible.*



*Vice presidents and deans never attended board meetings. Vice presidents and deans never made presentations. It was really all the president.*

### **Engagement through focused committee work and smaller groups**

Three of the presidents isolated committee work early on in their arrival to ensure that board members were engaged in meaningful work that would help the college. These primarily included the finance committee and the student affairs committee.

One president noted that they changed the board structure. They kept their finance, investment, audit, and trusteeship committees as separate standing committees but combined the other committees of academic affairs, student life, and advancement to full board level matters. They noted,

*We do that work as a committee of the whole; our board is only 23 people. We are able to include that content for everyone.*

Another commented,

*The chair and I decided we're going to get a working finance committee and working Student Affairs Committee. At least when you have these two committees, and it's a*

*smaller group of people that you're just, that you're bringing them under the tent. The prior president kept everybody out of the tent, which was a problem.*

Another went further to bring in a small group of trustees to work on the key issues,

*Because we were in survival mode, I would say that the chair and certain members, two or three members of the board acted as de-facto management staff*

### **Improved Board Communication**

Each president talked about making a conscious effort on what to communicate to the board and how to communicate it.

*Keeping the, the trustees informed to me was, it's kind of first and foremost, particularly since we're making big changes and spending a lot of money and those are all things that trustees have to weigh in on.*

*We have to translate what we do for the board of trustees, most of whom are coming from a corporate world. We have to do it in a concise and compelling way. And then we have to stay focused on the strategic questions so that they're engaging with us at the appropriate level.*

## **Board Maturation**

As each president assumed their roles, they remained aware of the need for the board to change and highlighted aspects of how that change has continued to support their ability to lead.

*I'd say the board has moved largely from a board that in 2011 and 2012 had to be involved in the day to day activities at the university, for the college to survive to today. I won't say it's as a hands-off board (now) as some other boards that I'm aware of in a perfectly mature, unchanging university. But we've moved much closer to what you would consider to be a traditional board with traditional structure, with kind of traditional engagement of the board.*

*The board was basically very supportive, but it was a matter of getting them to realize that things were going to have to be different within the institution. And, also with the board itself in terms of how, what things got done. I think, my predecessor was here for so long that they were just coasting at his speed and not a lot of creativity going on. And I mean, it wasn't, it wasn't placing itself in the context of the higher ed landscape.*

*I didn't purposefully try to manage the board. They were just good people of goodwill and.... I brought a lot of them on, so there's new people here and we just had a good relationship here. They're very good.*

*I don't think there was like a magic moment or a magic bullet. I think it's just, it's a slow slog and you know, people are slow to change, slow to change, right. So there's a couple of them who might have an epiphany*

### **The Critical Importance of the Board Chair**

Each president spoke about the importance of the board chair in making their leadership and the work with the Board effective.

*The chair has also done a very good job of setting the tone. Every board meeting, there's a half hour executive session where I'm not in it, and he basically outlines for the board, here are the kinds of questions that we're going to go through. You know, he and I, I do a lot of the preparing of the agenda, but then he and I, you know, make sure that we're in sync on what we're going to try to accomplish.*

*(The chair's) support, his ability to tell the board, look, he's on (other) boards, he's been on the (prestigious university) board. He's been on a number of boards. So, from a governance standpoint, he's been able to be really good with the board of trustees about, we've got to wake up, we've got to ask questions with rigor, you know, we need to be supportive during this difficult time.*

*The chair was a president of a very large corporation. He understands the line between management and governance.*

*I had a very strong chairman of the board and he negotiated, it was very important, critical, and he negotiated a lot of support*

*I mean, I would work almost hand in hand with the chairman of the board to do what we could to stabilize the business, if that makes sense? He (the chair) and I just decided we're going to behave differently.*

*When I came in, a new chairman of the board came in as well. That was, that was planned. .... So he and I agreed that we would meet weekly,*

One president who inherited an outgoing chair that was not as supportive of working with the president took a different approach to wait him out until the new chair started

*A fellow who was an organization president who was the board chair when I came and who was opposed to me coming and who I thought didn't act in the best interests of the college would call me at the college after I came in, and after a while I stopped calling him back and waited for a new guy (board chair), who was coming in anyway.*

*And one President highlighted the value of the board chair being the head of the search committee and the value that had in ensuring there was a match in leadership styles and expectations.*

*(He) was the vice chair at the time and he was the chair of the search committee and that was a great model because then my first year he became chair of the board.*

## **Finding II – Academics Role in Organizational Change**

### **Faculty**

The viewpoint from the presidents showed that they valued the faculty and their role, but only one president talked about faculty as a critical element in leading and supporting organizational change, and one other president noted the work of faculty in helping launch new programs. While the importance of the faculty at the institution was identified, the engagement with faculty was very different than how these presidents connected with the board of trustees. Four of the five presidents did not identify the role of faculty at these schools as an essential element required to lead change. That does not mean that the presidents did not see the tremendous importance of the faculty and their role, only that they did not see them as engaged and influential in effecting the necessary change.

What was interesting in these results was that four of the schools had a faculty tenure system and one did not. The four that had tenure certainly respected faculty, but not all did so as a vehicle for change. The one school that did not have tenure believed that it was the faculty who helped deliver aspects of the change that was needed and that proved successful.

One president was very direct about how the role of faculty was not an integral part of the strategy to effect change.

*Faculty has to be managed. I would not hold a lot of expectations out that they're going to bring you up. They could sink you, but I don't think they're going to bring you out of a rough situation. If you have 135 faculty, 12 of them are doing 50% of the work in terms of X priority, other than that is about "my class". They are not trained for it. The culture doesn't support it. I think you have to manage this group and just hope they don't sink you. This, is a very important group, I get that, but I really think the, the top management team around them that is key.*

Three of the presidents were much more supportive in talking about the role of faculty and their relationship, but they did not talk about them playing a significant role in helping the organization evolve. They also were not seen as barriers to success or necessarily as change agents, the concept was more of one of an accepted aspect of a constituency that needed to be engaged with and communicated with, but not as critical to the change that occurred.

*It (faculty-president relationship) evolves and it's such a crucial relationship.*

*All the presidents did work to engage the faculty with the board, but this never was a significant barrier or enabler that had impact to the direction of the college as it related to the early efforts to implement change.*

*I tried to bring in faculty at different times, make a presentation (to the board) or we would invite members of the board to certain events, which faculty were making presentations. It's more of an informal connection.*

*There were channels of communication between the faculty and the board, which sprung up for a couple of reasons. One, the primary reason being it was a reorganization and crisis. And the secondary reason being that there were some relatively young alums who came from families of means who were on the board. And as a result, there are professors who knew those people and didn't feel bashful about calling them and that sort of stuff.*

The one president that talked about the important role faculty played at that college had a non-tenured faculty.

*The faculty were engaged hand to hand in day to day combat. I mean, they knew how hard we were all working. They, they had a much better appreciation for the possibility and for the potential than the trustees did. They've been here for 10, 12 years, .... So for faculty to be around 10 or 12 years, I mean, they have amazing institutional knowledge. So I can go have a conversation with one of them and their voice carries weight in a way that mine might not in the faculty. Right? So we now have people that are willing to take risks and willing to try things and particularly on the faculty side of it, which is very rare in higher education to have entrepreneurial faculty, but, but we do because we purposely hired those sorts of people.*



On tenure, this president commented.

*We don't have tenure because we want young faculty. It's the strength of the idea. Yeah. Right. So if you're entrepreneurial, then it should be, as an entrepreneur, what's your idea? What do you want to build? What's your innovation? And young faculty can come up with innovations just as well as more mature faculty, right?*

One president also gave credit to faculty in effecting change, but this occurred as an outcome of work on engagement

*There's an opportunity to be engaged themselves or with administration. Now, you know, like anything, you give them an open door, but nobody really comes or a few come, but at least they know it's there. Um, so I think it's a culture, it's a very much of an entrepreneurial culture, we were able to create, and the faculty have done really well with, expanding graduate programs as a result. And because of it, we've virtually not actually but virtually doubled our enrollment undergraduate graduate*

### **Academic Leadership**

While the concerns and issues about how effective faculty are at being part of managing quick and effective change varied between organizations, the presidents seemed to universally agree on the importance of academic leadership. Specifically calling out the collaboration and leadership provided by the chief academic officer. One President stated:

*There's something magical about the, the chief academic officer and there's many who are very, very good, but there's also many schools right now for which these issues are so pervasive that,, they've got to have somebody on their team that really understands them.*

*I got a tremendous provost who I need to be respectful of....(he is) the most talented guy I've ever worked with in academics.*

*I had a wonderful provost*

Reflecting on the critical importance that the academic leader plays, one president noted that a former president had a provost that was not engaging with president and it hampered the president's ability to make changes.

### **Finding III - The Leadership Team as a Vital Part of the Transformation**

In most cases the president spoke about the role of the leadership team. This was not originally an aspect of transformation that was being studied, but it proved to be a significant variable for the presidents.

One president spoke about the fact that when asked to take over in a crisis it was just three individuals that worked together day and night, the VP of Academic Affairs, the VP for Advancement, and the President. Together the three of them ran the College. The president credited the small collaborative leadership team with their success.

Other presidents echoed the importance of the leadership team, especially in a crisis.

*There was one, one point I didn't have a vice president for institutional advancement or vice president business office and it was a challenging time, but fortunately, what was key is, is to have a very strong top management team. And I mean that key factor of success, that's number one. I believe in the model, spend your best time with your best people.*

*Can't overstate the importance of the top management team and I wouldn't have said that maybe 15 years ago. You, you really have that, I think that's the challenge of a small institution because talent's highly variable and I think you get lucky when you get it. Five of them could be president of a college if they choose to.*

*You get eight people together and do they share the common vision of the President? Well, I know these eight people will share the common vision we've been together for so long. Right? So that's something I don't have to spend time doing..... The leadership team, my, my provost, CFO, the guy that runs marketing, chief of staff, we've been together for 10 years and I can, I don't have to worry about whether the academic trains run on time.*

*They (the leadership team) are strong-willed, there are lot of strong ideas, they're animated, but you know what? They, they get results. It's not, it's not difficult because they challenge each other and trust each other.*

*The greatest internal control was the integration among all the senior managers of what's occurring.*

*I want the senior management to be responsible. That's clearly a change from before.*

In the case where a president was new to the College, he/she also saw the critical nature of having a strong team in place to effect change.

*I ended up having to change out every single person on the (leadership) team and it's not, you know, you go to the new president seminar, they tell you to wait six months ..... it's more change than I wanted, but now we have a really solid team, and one of the critical roles that they play is taking what we talk about at senior leadership team and talking about the headlines with their teams.*

Two Presidents also noted the importance of the leadership team as a conduit with the Board of Trustees

*A big part of my job as president is coaching my senior team on, here's how we got to present the information in a way that we educate the trustees. They're not here every day.*

*I'm the one that's trying to translate even to my senior team about, you know, here's how we're preparing for the board meeting to the trustees.*

After discussing the concept of this triangle of leadership one president talked about the leadership team by describing their importance and suggesting adding them to the model as a circle in the middle of the triangle.

#### **Finding IV –Transparency in Communication with Stakeholders**

Each president talked about the need to tell the community what was going on. In four cases the situation the president encountered was dire, and financially the college faced the possibility of not having enough resources to fund payroll. Each president articulated the need to be truly honest with his/her communities about the challenges the college was facing. Each talked about his/her willingness and commitment to be open and honest sharing. Two presidents shared their perception of the feeling that the faculty and staff just wanted to know what was happening.

*It was because they were hungry for transparency and just tell us where we are. You know, we're on board, we're committed to this place, but we just want someone to tell us the truth.*

*They asked are we going to close? Am I going to get paid? Those are the questions. Right. So, there was fear and when people have fear, I guess they want a reason to believe.*

All of the Presidents articulated a philosophy and approach that demonstrated their willingness to address these concerns and increase communication and sharing. The statements

below speak specifically to the importance transparency and their efforts to have meeting where the whole community could hear the message about the state of the institutions.

*To this day, we have a yearly meeting in October to do a year-end review state of the university for everybody. And my senior officers do the presenting for them and myself and then we'll just field questions ...., I've learned, transparency is never enough. So I mean, it's never enough of transparency.*

*I held an all-campus meetings in the first full week ..... you know, everybody in the cafeteria, I think the first time ever outside of commencement faculty, staff and students .... I was pretty honest with people; you know what I mean? Open with people ..., frankly, I can explain it to people so that they understand it and put it in context of the institution,*

*We adopted bi-annual meetings, state of the university. I talk to the community, give them an update.*

*We have a culture of all campus meetings here after every board meeting. So my very first all campus meeting, I had to tell the folks, here's the reality of where we are. I said, here's the deficits that we're looking at. Here are the steps that we're going to have to take. The board gave us at one-point board-controlled resources to lessen that deficit, to lessen the blow of what we had to reduce. I said we're going to have to make layoffs by December 1st. Here's the process that we're going to use.*

*I have a town hall with the entire college. So, I have four, four open meetings with the entire college. Three right after each of the board meetings. So right after the board meeting and we found this opportunity to explain what, what's happening. And, you know, you just get, you get all kinds of questions and my thing is, look, you had to explain this is our vision. This is how we expect to prosper going forward.*

### **Finding V. The Impact and Import of Decisive and Entrepreneurial Leadership**

Each of these presidents came into situations where the institution needed to make changes for the overall health of the organization. In four of these cases the scenario was financially critical. What each of the presidents demonstrated was the willingness to make critical and unpopular decisions to begin to address the issues at hand.

*One of the first thing was the most difficult ones that we had. (These were) voluntary and not voluntary reduction of workforce. That happened rather quickly, and I perhaps would've reversed, I would have been a little slower on some of that, but it didn't feel, and we had a lot of consultation*

*I think thirty people lost their jobs and I went from being a very popular young professor to a less popular person.*

*Part of the stabilizing of the businesses was to take stock of what's working and what's not working.*

*We had to cut, I think it ended up being about 12 staff and seven faculty and several of those faculty members were with us at least one or two more semesters. And so, a real sense of loss for a small community. But we've been able to get the budget on the plan we had*

*Since I had the benefit of being here 18 months, so within the first quarter, clearly made some administrative changes in terms of accountability, that I recognize being on the inside, but inside the institution, but not in the answer that would gain credibility and that it was going to be a new game. That was one. And then to quickly guide into some very detailed strategic directions*

Each school was moving forward in what were new and entrepreneurial ways. This included the doubling of a program that already proved successful, the addition of partnership program with another prestigious school partnership with a community college and the addition of a new program that matched the needs of the region and that was just one school. This all helped drive enrollment even though demographics were going in the other direction. Another school shifted focus from supporting regional undergraduate students to a larger vision that added graduate programs and opened the institution to international students. A third school also took a shift from of a more liberal arts focused school exclusively to shifting focus toward



healthcare programs and degrees where they saw growth opportunities and potential new partnerships. Each president gave examples of taking control of difficult situations, communicating what the plans were and then carrying out these decisions to make meaningful changes. One president captured the type of change that the community experienced by seeing the college shift in a more positive direction.

*(The campus culture) really tilted towards stagnation, and the culture literature, the one thing we do know is the adaptive cultures are superior. I mean, when you boil it all down, I did some research for a company on culture and there's all kinds of models out there. But one thing is consistent adaptive cultures will outperform non-adaptive cultures. So, we did move towards adaptive culture.*

However, once the effort to effect positive change was under way it was an effective tool to demonstrate momentum. In four of the schools the addition of new facilities was often a manifestation of the positive change on campus. This type of activity mattered as it demonstrated to the community that the institution was on the move. Presidents recognized this.

*In the end, we built a building, right? That was the exclamation point at the end of the turnaround.*

*Everybody wants to be on a winning team.*

## **Finding VI. Leadership Background at Small Struggling Institutions**

The background of the presidents that participated in this research was not a variable used to select cases; however, the research demonstrated similarities between each of these leaders that may be related to their success. The college presidents selected for this research were a result of a process that identified presidents that had positively impacted their institutions based on improving overall college liquidity. Of the five presidents in the study, only one had been a college president before the current role.

The research for this study identified that none of the presidents interviewed came from the traditional pathway of the academic affairs leader. The majority of the presidents had real world experience outside of education in addition to the work they did in colleges and universities. Only one of the presidents came from a career that was exclusively within higher education. The one president that had come from higher education had a career path that was in operational and administrative roles with extensive experience working with college leadership and the board of trustees. The other presidents included two presidents who started their careers with a business background and moved on to serve as deans of business schools, one had experience as a technology entrepreneur and as a chief financial officer, and one had a law degree and had practiced law. The concept that success leading struggling institutions may benefit from a more varied background that brings in real-world experience is also supported when looking at the background of the presidents selected for the study that did not participate. Review of the five presidents who met the research criteria but were not part of the study includes one former military leader, a former lawyer, a president of a private utility company, and two higher education administrative leaders. None of the schools selected were led by a leader that had previously served as the head of academic affairs.

## Chapter 5 – Analysis and Recommendations

The purpose of this qualitative multi-case study was to identify the common factors that small financially struggling colleges and universities have to navigate in institutional relationships. This study focuses on the relationships between the president, the trustees, and the faculty with the goal of gaining a deeper understanding of how to address the meaningful changes required to lead to improved financial health. This chapter includes the researcher's discussion and interpretation of the major findings as related to the literature available on these topics. The chapter will discuss what implications may be valuable for leaders of small colleges that are facing financial and operational pressures to consider in addressing organizational change. The chapter concludes with a discussion of the limitations of the study, areas for future research, and a summary.

This chapter contains discussion and future research possibilities to help answer the research question:

*What are the changes, and communication and governance strategies between trustees, the president, and faculty that affected positive change at small colleges and universities who successfully transformed their organizations?*

In conducting this study, the researcher identified six themes related to leading small at-risk colleges. These factors were common among the schools studied and are areas for consideration for schools that are working to move from struggling to thriving. These themes include; I. Transforming the President- Board of Trustees dynamic; II. Faculty role in organizational change; III. A strong leadership team is a vital part of transformation; IV. Transparency in Communication with Stakeholders; V. Impact and Import of Decisive and

Entrepreneurial Leadership; and VI. Leadership Background Might Matter at Small Struggling Institutions.

### **Context for the findings**

In evaluating findings from this study, it is critical that the context related to these organization be kept in mind. While all these colleges were smaller struggling institutions when the presidents in this study began their terms at the college, four were in a position of financial exigency when the new president came on board. The findings that follow are most relevant related to the circumstances that each institution was encountering. Taking this a bit further, the internal and external factors that came into play at these organizations may have themselves both hindered and enhanced the efforts made by these leaders to effect change. While these findings are relevant to small struggling institutions and college leadership structures, there may be institutions that face different pressures and other variables that may position a college negatively and put it on a path toward closure or merger that no leader can overcome. These findings instead present a framework that leaders can consider in the larger picture of the myriad of issues that may be facing a struggling institution.

### **Interpretation of the Findings**

This research study was conducted to better understand the dynamic relationships between the president of a college and their board of trustees and their faculty. The findings presented in Chapter 4 touch on each of those areas and went further to add in several critical roles that were not originally identified at the start of the study. Two key roles that impacted the dynamic relationship between the President and the Board and the president and the faculty were the leaders of each of these groups. Presidents identified the need for a board chair to help

navigate and manage the board relationship and to serve as a facilitator with the board and a thought partner with the president.

Similarly, these presidents who came from a more operational business background felt that the academic leadership of the provost was critical. These academic leaders required the skills to help manage the conflict between an organization that needed to effect change with a faculty community that has been historically slow to implement new initiatives. These two leaders serve as the conductive fiber between the president and the two key constituencies that were the focus of the study.

One area of the organizational leadership that was not initially considered in the study was the leadership team. The critical role that each president identified with the leadership team may be more aligned with the leadership styles that these presidents brought to the role. In each case, the president had different approaches, but all could be considered transformational leaders that used a complex set of skills to effect organizational health. These presidents have built and relied on these teams to inspire collaboration and success for the organization.

While the experiences of each president and associated institution showed variation from one another, six common themes were prominent factors that influenced the experiences of the presidents interviewed for this study. Each theme is reviewed in detail in the following sections.

## Themes

*Figure 9 – Listing of Findings*

I	Transforming the President- Board of Trustees Dynamic
II	Academics role in organizational change
III	The Leadership team as a vital part of the transformation

IV	Transparency in Communication with Stakeholders
V	The Impact and Import of Decisive and Entrepreneurial Leadership
VI	Leadership Background for Presidents at Small Struggling Institutions

## **I. Transforming the President- Board of Trustees dynamic**

Perhaps the nature of struggling colleges indicates that many areas need to be addressed including leadership. While it must be noted that these boards of trustees, whatever shape or level of functionality they are in, had the wisdom to bring in a leader to help transform the college. In each case, more work was needed to improve the dynamic between the president and the board.

It seems important that all the presidents interviewed had experience working with boards and that several were already familiar with the board at the institution they were hired to lead. A study by McNair, Duree, and Ebbers (2011) showed that one area that new presidents wished they had was more experience working with the board, and some training that would have made them more prepared to address these relationships. This focus on board relations is also highlighted in *Opportunities And Challenges For Boards In Time Of Change* (1997) in identifying key structural steps for presidents to take to address current board issues and to work to mitigate future issues.

In this study the work with the board was all about communication and structure. Boards, especially volunteer boards at colleges, can be less formal than required. The work that they undertake can be unclear, and how much they need to engage may be limited by the size of the board, the committees they are assigned to, or the time they have available. In each case in

this study, the president worked to establish structure around the board and increased meaningful engagement for board members. In most of the cases the presidents focused the work of the board in key areas that were crucial at a time of transition, this mostly focused on the finance and student engagement aspects of board oversight. These decisions ensured that the presidents had board members involved in meaningful work on key issues that would help the schools address critical issues.

Presidents also went about working to establish a strong and transparent relationship with their board chair. The board chair was an instrumental member of the team in aiding the president to help transform the board into a more effective body, while allowing the president to lead the transformation efforts at the college.

## **II. Academics Role in Organizational Change**

Colleges are founded on their academic teachings and faculty are central to all of this work, but faculty are also seen as part of what is holding schools back from moving quickly to implement change. There are several writings on the fact that change in education comes slowly, almost reluctantly, if and when it comes at all (Caruth, n.d.; James, 2002). In *How to Sabotage Change* James (2002) identifies three common ways that sabotage happens in higher education. They include creating a committee to study the issue, use of the past to predict the future, or simply sticking your head in the ground. These delays are what necessitates some college leaders to work around or without faculty to implement change. While in most of the cases in this study it was clear that faculty were made to understand the need for change and did not put

up roadblocks, that is more likely related to the fact that the entire organization was at risk, rather than a collaborative approach.

As noted in the findings the one school that specifically worked to hire more entrepreneurial faculty who were tired of the red tape they faced at other institutions in promoting their ideas, was the one school that saw faculty as a considerable contributor to change. This finding may speak to the tenure system in higher education. While there have been debates about the pluses and minuses of tenure (Baldwin & Chronister, 2001; Burgan, 1996; Chait, 2002; Grubbs & Taylor, 2013; Herbert & Tienari, 2013; King, Ellzy, & Barksdale, 2012; Loope, 1995) there may be a correlation between tenure and faculty leadership in change. While this study was not designed to look at tenure, it may very well be a variable worth studying at these at-risk schools. Felter (1997) identifies an issue that seems to be connected to the issues that are holding back some school from effecting meaningful change. This study notes that there exists a reluctance to affect meaningful change by faculty and that if they participate, they act as "a reluctant change agent" (p. 5). In this study one president at a tenure-granting institution stated that he applied Pareto's 80/20 law ("Pareto principle," 2019) that only about 20% of the faculty were actively engaged and supportive in effecting the necessary change.

The mechanism that seemed to best offset this issue of potential faculty resistance or avoidance was the existence of a strong academic leader that was working in coordination with the president to effect change. Each of these schools was able to navigate past this concern of faculty resistance; this was likely due to several factors, the transparency that the president provided related to the need to implement change and the support and leadership of a strong provost.



To address this matter, it will be necessary to support a culture that will accept risk, and work to create a new normal for academic change, allowing for new models and different choices for faculty (A. J. Kezar, 2001). This will likely mean that institutions will need to provide the training and leadership development necessary to ensure that senior faculty and department leaders so they can be more engaged in understanding the need for change and providing the academic leadership to guide it forward (Austin & Sorcinelli, 2013).

### **III. The Leadership Team as a Vital Part of the Transformation**

Each president discussed the value of their leadership team. This is likely an outcome of the leadership styles of the presidents. They are clearly collaborative leaders who know how to provide the necessary guidance to get the best out of people. Hargreaves, Boyle, and Harris (2014) in their book *Uplifting Leadership* discuss the similarities that successful leaders bring to their organizations. This work talks about how leaders can help build an organization and move it forward by helping everyone including the leadership team to build creativity and collaboration in achieving their goals. When these leaders share leadership, they trade a hierarchical approach for a distributed approach. In several cases in this study, the leaders were able to bring in experienced professionals who took pay cuts or changed jobs to join the college. For these professionals, the value in working in these roles was being part of a successful team working toward a mission that they believed in.

Martin and Samels (2010) support that strong campus leadership is necessary to ensure success as colleges face financial difficulties and enrollment decline. *On the Edge: A Study of Small Private Colleges That Have Made a Successful Financial Turnaround*, Carey (2014a) discusses the importance of shared leadership, and leadership team by building trust and

distributing influence across several leaders at the organization. In a study of community college presidents, nine of the 12 presidents in the study identified building a strong leadership team as the most important aspects of being a president. (Carter, 2016).

#### **IV. Transparency in Communication with Stakeholders**

The willingness and openness in each of the leaders that were part of the study were notable, not just for sharing information, but for a commitment to ensure the entire community knew what was happening at the institution. In many cases, this was a dramatic change for the college as the community had not traditionally been kept informed. As several presidents noted, the community just wanted to know what was occurring at the college. Each of these presidents chose to provide very public meetings and accounting of what was happening at the institution. Several ensured that most of what was shared at the trustee meetings was also shared with the faculty and staff. In *Bold Leadership, Real Reform, Best Practices in University Governance* (2015) it notes that this type of transparency is essential and should be standard for all colleges and universities and by sharing this information all of the stakeholders can remain aware of the health of the organization and by making this public it will drive the necessary improvement for the organization. This information shared in the context of the issues facing an organization and aligned to future plans to address concerns will help build the support necessary to achieve these goals.

## V. The Impact and Import of Decisive and Entrepreneurial Leadership

In each school in this study, leadership was quick to make impactful changes at the organization. Presidents identified that this need to move quickly and decisively was about survival for the institution; one president credited his ability to get things to happen because they were in “*survival mode*” while another articulated that they just needed to “*stop the bleeding*.” Mac Taggart (2007) notes in *The Realities Of Rescuing Colleges In Distress* that the most effective leaders at struggling schools are decisive. James (2002) discusses the need for leaders of institutions to be risk takers that will take bold steps to change the direction of the organization. This includes a commitment to support employees who work to innovate and that can be early adopters and supporters of change. Leaders must be able to articulate the need for change and to celebrate change when it occurs. They also must ensure the organization is consistent in providing the environment and support for change.

In the AGB white paper, *The Small College Imperative: From Survival to Transformation* (2017) the author directly notes that “the imperative for most campuses is to adapt to the changing environment by adopting a business and educational model that reflects emerging realities. For most, this will require institutional transformation.” (p.4). If these institutions remained focused on believing that small steps or refocused efforts on traditional tools like marketing, recruitment, and fundraising will be enough to turn the tide till things return to “normal,” they will likely only put them further behind. The presidents in this study were individuals who acted and in each of these cases these actions worked to turn the school around. This decisive leadership trait is also supported in *A Study of Small Private Colleges* by Carey (2014b), where the authors notes that a common element in the leaders of these schools was that

they took immediate action to address pressing issues, a step the presidents each were able to do in this study.

It must be noted that change in higher education is overseen and controlled by accrediting bodies and governmental oversight. These are factors that need to be considered by a president in effecting these changes. While this study did not focus on these issues, there are efforts underway to consider changes that may make some of this easier to navigate as noted in *Rethinking Higher Education, Accreditation Reform* (2018). In this study it notes that change is needed in the process and includes the need to “Reform substantive change requirements to enable institutions to respond more quickly to changing programmatic needs” (p. 3). This reports goes on to note that under

Current regulations, accreditors must define “substantive changes” to include many items that have little to do with academic quality or that duplicate reviews carried out by the Department or the States. These reviews are costly, with many institutions claiming that, due to the added costs of legal support and consulting services, they can run as high as \$1 million for a single institution.<sup>6</sup> These requirements also delay the implementation of new programs or program modifications, thereby preventing institutions from meeting local or national workforce needs in a timely manner. Instead of requiring accreditor approval for many minor changes, institutions should be granted greater autonomy and accreditors given the freedom to focus on only the most significant changes deserving of proper oversight. (p. 8)

Another effort by government oversight that could affect a president’s ability to make change at their institution is the proposed regulations currently under review in Massachusetts. In the report *Transitions in Higher Education: Safeguarding the Interests of Students (THESIS)*

(2019), the working group recommends a plan that will help identify struggling colleges similar to the ones used in this study. While this recommendation only pertains to Massachusetts it could have broader impact if it is adopted elsewhere and if it had been used on the schools in this study it may have caused them to move in a different direction that could have led to merger or closure rather than revitalization. This approach is still under review but requires further study as to the impact on struggling colleges.

## **VI. Leadership Background at Small Struggling Institutions**

The background of the presidents that participated in this research may speak to the skills need for leaders at distressed colleges. While many college presidents have historically come from academic affairs or provost leadership roles, the current changes to higher education may call for a different background to address the needs that small financially challenged schools currently face (*“The American College President Study: Key Findings and Takeaways,”* n.d.; “The future of higher education leadership | Deloitte Insights,” n.d.). Kezar and Eckel (2002) identify that transformational change may have eluded higher education leaders due to lack of experience in overseeing change. Without the training and experience, traditional leaders from within academia may be less prepared for the issues confronting them at schools that need to move forward quickly.

While the American College President Study (2017) notes that most college presidents continue to come from the traditional pathway of academic leadership (43%), there may be a different approach occurring in those schools that are struggling. A study of chief business

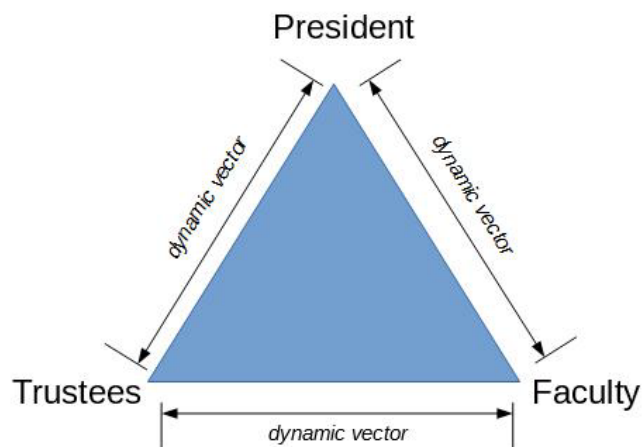
officers shows that presidents with this type of business background are more likely to work in less selective, financially struggling institutions.

In an article on presidential transition at one small college, the outgoing president notes the need for a more well-rounded background for college leadership. This president assessed that to succeed as a college president, a background in academia is not enough. He suggests that a combination of classroom and administrative experience must be accompanied by real-world experience. He specifically called out the skills related to accounting, economics, and business. (Seder, 2012).

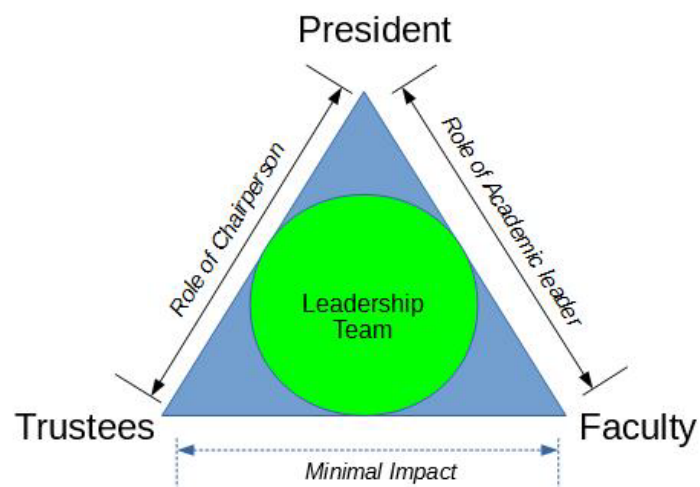
Another study that looked at the challenges new college presidents currently face suggests that a candidate for a president who has successes in budgeting and financial management, fundraising, community relations, strategic planning, and personnel issues is now likely to be viewed with more interest than one who does not (Sethna, 2015).

### **Adjustments to the conceptual model**

The conceptual model used for this study was based on Clark's Triangle of Coordination. This presented a triangle that showed a relationship between each of the three main groups in the study, president, faculty, and trustee.

*Figure 10 – Clark's Modified Triangle*

In conducting the study, the findings demonstrated additional elements that should be considered for the triangle to represent the experiences of the schools in the study more accurately. There are four significant changes to the model. On the left-hand side of the model, the role of board chairperson has been added on the vector between the President and the Board.

*Figure 11 – New Coordination Triangle based on Findings*

The importance of this role in shaping the relationship was of note in the research and should be called out in the model.

A second and similar addition is the addition of the academic leader on the right hand of the model between the president and the faculty. As the research notes, while faculty in most cases were less engaged in the change, that does not mean that they are not an integral part of the model. The difference here is that the addition of a provost that is engaged as a collaborator of the president in leading change should be added to this relationship.

The next change is that there is a much less formal and impactful relationship between the Trustees and the faculty. The researcher anticipated that this would be a larger dynamic, but it was never a crucial part of the change that occurred at these institutions; therefore, it has been changed to a dotted line rather than a solid line.

The most significant addition to the model is the placing of the institutional leadership team as a circle in the center of the triangle. This was how one president described the role of the leadership team, and this representation is meant to show the influence that this team has on all these dynamic relationships. By modifying this model, the researcher hopes to present an improved framework for understanding leadership dynamics at small colleges in distress.

## **Recommendations**

The following recommendations are an outcome of the findings of this research. They are especially focused for leadership transition in small colleges in distress. As these schools look to address the critical needs of the college, they may have only one chance, or one new leader left to avoid having to make decisions about mergers or having to shut the doors.



- Boards at struggling schools must understand that their next president will require operational skills and financial and business acumen, along with an understanding of how a college operates.
  - Selecting someone from outside academia may seem like a bold choice, but it is the balance of both the business and academic knowledge that may be the best match.
  - Selecting a seasoned academic leader may be equally risky if their experience has been limited to solely the academic realm. Each of the presidents in the study utilized the strength of a seasoned academic leader to support the work with the faculty, but most indicated that they did this as a partnership with shared vision and goals.
- Boards must carefully consider who is selected as board chair to ensure that their style of leadership will work with the new president. In one case the chair of the search committee stayed on to be the board chair. This is a model that may be valuable to consider ensuring consistency in messaging and interactions as the president is recruited and on-boarded.
- Presidents will need to build the leadership team quickly, with high caliber professionals to ensure that they have a collaborative team to implement the change necessary
- Presidents must be willing to make decisions quickly, understanding that there may be some pain in these decisions. Trying to save the institution by repeating what has not worked in the past will most likely fail. The decisions they make should be well planned and supported with data, but as with any decision, there is risk. Presidents

- must be able to evaluate this risk as part of the process and be willing to move forward boldly in new areas.
- Presidents must avoid trying to simply increase enrollment through recruitment and marketing and reduce costs by making cuts. These will not have long term impact. In this study, each president made entrepreneurial moves that helped shift the institution in a new direction. This was done in some case by keeping what was old and in other cases by making significant changes. The decision is driven by the context that each school faces.
  - New leaders must have the skills and strengths to be a highly collaborative transformational leader.
    - One of these traits is the understanding that they are the ones who will need to make the tough calls.
    - While transformational leadership is important, leaders must be well rounded to deal with the varied issues and constituencies at a college. The study *Transformational and Transactional Leaders in Higher Education* (Basham, 2012) discusses that, "the best leaders recognize that strong leadership does not come in a single form, and each leadership style complements the other" (p. 23).
  - They will also need to bring a level of communicational transparency to the institution which may have slipped away as the schools have struggled. None of the trustees, faculty or staff should be surprised by the condition of the school, for it is the awareness of the issue and a commitment to the school that will help them serve as allies in addressing issues and being part of transformative change.

- Faculty must come to an understanding that changes to academic programs or structures are not an assault on academic freedom, but instead necessary changes to advance the college. Rather than avoiding these issues, they need to find ways to be engaged in new ideas and solutions that will support the direction of the college. By doing this they can be engaged leaders with an important role to play.
  - Leadership should be committed to providing the understanding and education for the faculty so they can find a meaningful role to play in organization change.

## **Limitations**

This multiple case study was effective at identifying themes that should be considered at small struggling colleges as they relate to the leadership role; however, the research was limited to the perspective of the president. Additional research from the perspective of the board of trustees, the faculty and the leadership team could well provide additional insights into the findings of this study. Another limitation was gaining access to additional materials that would tell the story of the organizations from an archival perspective.

The researcher encountered resistance in getting access to additional cases. Either through avoidance or non-responsiveness presidents avoided choosing to participate in the research. The researcher had believed that by looking at Presidents who had led positive change, that more would be willing to tell their stories. Even in the group of presidents that were interviewed concerns over confidentiality were raised and in one case the use of a recording device to capture the interviews may have held one participant from being as forthcoming if they were not recorded. The focus on college viability and the presidents' concern for confidentiality may have potentially impacted the responses.

While one of the findings that occurred was the identification of the benefits of a business and operations background, including presidents from more varied backgrounds might have added to the richness of the results. The researcher attempted to include presidents who were formerly trustees and who had served in an interim capacity hoping that those perspectives would have added to the results, but interviews with these participants did not occur.

### **Recommendations for Future Research**

As there are issues currently in the news about college closings, this is a topic open to research. Better understanding of the issues and ability to predict **if** a school will be at risk before it is too late is essential. Further research might include

- Similar studies of schools that have turned around from the perspectives of the faculty, the trustees and the leadership team to better understand their experiences during these transformations.
- Studies of liquidity at small colleges to see if there are trends that can serve as predictors or alerts.
- A comprehensive study for liquidity across the sector. In researching for this paper, the researcher reached out to the National Association of College and University Business officers, the local accrediting agency NECHE, and Guide Star which is a repository of financial for non-profit organization, and none had conducted a study looking at liquidity, although all agreed the assessment would be valuable.
- A similar study should be undertaken that interviews presidents at schools that have closed to compare their experiences to those in this study.

- A study of the role and impact of regulators and accreditors on a college's ability to effectively make changes to improve outcomes. Are they a catalyst for change or do they create barriers?

## **Conclusion**

The finding in this chapter must be taken together as a whole to understand the organizational change that needs to occur at these small struggling institutions. One of these without the other would not reflect the work or impact that each of these leaders described in this research. As each president in this study was asked to step into a role that required influence and transformation, and each became a storyteller for their organization. Their stories brought forward a set of characters (trustees, faculty, staff, students, alums) and a setting (an institution at risk), and their plot was to create a healthy organization. These have been stories of passion and commitment that encountered twists, turns, and subplots along the way. These leaders were wise to understand these issues. These leaders were able to bring their vision to the stories and to the communities they serve and in each case the success of the school was linked to their leadership. Leading a school through a turnaround is a large undertaking and the character and commitment of each president in the study was apparent. While this study focused on leadership approaches to address change at struggling colleges, there are other factors that can impact the success of a college that even the best leaders may not be able to mitigate.

Although addressing issues of board structure, program change, and transparency were important, it was the clear articulation of the vision that the leader was able to bring to the

organization that lead to substantive change. These transformational leaders understood and were experienced enough to navigate the complex relationships at the institution.

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**Attachment A**

Focus	
Leadership Style	Tell me about your background and how this prepared you for this role.
	When assuming the new role what guides your decisions as President?
Governance Strategy	How would you characterize the relationship that existed with the Board of trustees and the president prior to your presidency?
	Between the faculty and the president Between the faculty and the Board
	What notable changes to the relationships, formal or informal occurred over time?
Transformation	Were there areas that you recognized needed to be addressed to support the turnaround?
Resistance	Were there any reactions to the changes that were occurring? By the Board? Trustees? How were these issues addressed?
Change Strategy	In your role as president, what has been the most significant change in the key relationships between the board and the faculty?
	How has the organization changed?
	What changes occurred?
	How would you describe the impact of the change on the community?
Organizational culture	Is the organization's culture different today from when you first started at the institution?
	If so, what do you believe are the reasons?
	How do you characterize the organizational culture today? Follow up will address internal relationships, collegiality, cooperation, coordination, change.
Community	In what ways do you engage the college community
	How does Community engagement relate to change at the institution
Communication Strategy	What role has communication played during this time?
	What form or venue does communication primarily take place during times of change?
Allies* –	Who else were essential in helping or hindering this work

Increase collaboration/coordination	What efforts were taken to increase coordination and collaboration?
Wrap up/lessons learned	What do you see as the most significant successes during this time?
	What if anything would you do differently if addressing the same issues again?

\*-Added after first interview was completed