Shaping Strategy: An Institutional Analysis of Decision Making in the Middle Tier

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SHAPING STRATEGY: AN INSTITUTIONAL ANALYSIS OF

DECISION MAKING IN THE MIDDLE TIER

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Abstract

Title: SHAPING STRATEGY: AN
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The intent of this single-case study was to explore the effects of a competitive environment on organizational decision making. The study examines the decision making processes that resulted in the adoption of an undergraduate business major at a traditional, middle-tier Liberal Arts College and offers an analysis of academic leaders' perspectives on institutional identity, environmental pressures, strategic decision making and organizational change.

This qualitative study uses Institutional theory to examine organizational behavior in competitive environments. Analysis of interviews and institutional data revealed four important findings.

1. The external environment defined the organizational reality
   and significantly influenced and shaped behavior and decision making;

2. A unique organizational culture and identity moved the organization to rely on
   rules and routines which reflected historic institutional values;

3. Responses to uncertainty produced an organizational adaptation that reflected a
   decoupling of one subunit which represented a new institutional strength, and

4. The environment exerted isomorphic pressure on the College to adopt a change
    that was incongruent with its historic values.

The implications of the study include identifying the pressing need for new
revenue streams that strengthen the financial model for tuition-dependent liberal arts
colleges while preserving the values of a liberal education. Also, organizations should
find ways to extend and share leadership in order to facilitate necessary organizational
learning and time-bound responses to organizational threats.

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Chapter 1

Introduction

Competitive Market Environment in Higher Education

Today, colleges and universities exist and compete within a dramatically evolved, dynamic and market-driven educational environment. The notion that college students should be "formed" by a college is dismissed as quaint and has given way to evolving student pragmatism (Kirp, 2003). The undergraduate college experience and earned baccalaureate degree have become assets that can be exchanged and commodities that can be traded. Students and families today consider them both a personal and financial investment in their futures, and the exchange value is measured, by both, in a variety of ways. Earning a college degree improves a student's ability to find desirable work, dramatically increases lifetime earnings, contributes to an engaged citizenry, and provides access to economic and social mobility (Kirp, 2003). For many, it will also be measured in social capital; the quality of and access to the social and professional networks and opportunities that attending a particular institution provides, or the prestige that brandishing an esteemed college's diploma produces for graduates (Soares, 2007). Thus, institutional reputation remains an important concept to which students, families, and the broader culture have attached a special value (Horvat, Weininger & Lareau, 2003). At present, that value has resulted in industry-wide competition, consumerism, and the marketization of higher education.

The modern day higher education environment has evolved dramatically from early, traditional, forms of liberal arts colleges. Private, liberal arts colleges date back to the founding of Harvard College in 1636 and were the dominant form of higher education

until the establishment of universities in the late 19th century (Clark, 1970). These early

Colonial colleges represented a circumscribed form of preparation which primarily

educated and prepared men for careers as members of the clergy. American colleges and

universities have long aspired to be places of free thought and were established as

institutions that educated for citizenship and "knowledge for knowledge's sake"

(Molesworth, Scullion & Nixon, 2011). Higher education then, as with elite liberal arts

colleges today, was considered preparation for leadership and the baccalaureate degree

the requisite credential.

Today, students shop for colleges in much the same way as they shop for any

other commodity. It is difficult to ascertain, however, whether students purchase

instruction in a discipline, a credential for entry into a profession, or the cultural capital

that would provide access to other social benefits (Molesworth et al., 2011). In many

cases, it is likely that students and families seek all of these, although not within a

perfectly competitive industry. Rather, higher education exists as an extremely

diversified and highly controlled "quasi-market" which forces institutions to compete

with one another for resources, none more important than students and external funding,

including those from alumni and donors (Molesworth et al., 2011).

Undergraduate enrollment is the lifeblood of any institution. Colleges developed

comprehensive processes and various tactics to market themselves broadly to a variety of

students in an effort to raise student interest and the number of applicants for admission.

As Vice President for Enrollment Management at Carnegie Mellon University, William

Elliot described the objective of the enrollment process as a means to improve an

institution's market position (Kirp, 2003). Across the vast range of institutions, however,

the stakes in the enrollment management process for some colleges are significantly

higher. For the most affluent, top-tier, Liberal Arts Colleges, tactics that heighten student

interest preserve an institution's reputation. For the less affluent colleges, outside of the

top-tier, that interest may only ensure subsistence or survival.

 External environmental factors, like the economy and the escalating cost of

higher education, pose significant challenges to attracting students who will enroll in

college. The higher education landscape, particularly for small private colleges, contends

with growing uncertainty from declining enrollment, a historically constrained financial

model, and increasing cost of tuition (Boston University Staff, 2017).

Among the most selective colleges, economist Charles Clotfelter attributes this

escalation of cost to the competitive cost of *top-dogism* (Kirp, 2003). These costs refer

specifically to institutional expenses that help recruit and entice a larger number of

students to apply. Primarily, tuition discounts in the form of financial aid, academic

program enhancements, and improvements to campus facilities and services are all

leveraged to attract students and strengthen the institutional brand. However, for

segments of the higher education market without access to these levers and opportunities,

the consequences of this kind of competition can be disastrous (Kirp, 2003).

Focus of the Study

This study focused on the effects of a competitive market environment on

strategic choice and decision making at a middle-tier liberal arts college, and the

environmental pressures driving organizational adaptation at this institution. In 2013,

Middle College, a traditional middle-tier liberal arts college, adopted an undergraduate

business major as part of the Middle College Strategic Response plan. The strategy and

decision making processes that resulted in the adoption of the major are the discrete decisions explored in this study of organizational change.

For segments of the higher education market that lack the benefit of selective admissions and large endowments, the material benefits of a distinctive reputation are elusive, if not unattainable. For vulnerable institutions, competitive market forces, and the organizational transformations they elicit, may threaten legitimacy and survival in their current form within this field of institutions (DiMaggio & Powell, 1983).

Statement of the Problem

Environments, Constraints, and Survival

For middle-tier Liberal Arts Colleges, without the benefit of high endowments or distinctive reputations that extend institutions' ability to attract students, survival within a highly competitive higher education market is threatened. Middle-tier Liberal Arts Colleges' dependence on net tuition revenue made them more vulnerable in difficult economic times and made the generation of alternative forms of revenue a primary focus (Brenneman, 1994). Colleges that lack the capacity to invest in state of the art residence halls, science centers, and athletics facilities are forced to consider alternatives that may improve their ability to attract students, including changes to the academic program, but threaten their legitimacy, reputation, and valued identity as traditional liberal arts institutions.

Institutional wealth, tuition dependency, and a uniquely competitive higher education environment threaten the long-term viability of some highly effective colleges. Combined with a circumscribed historic definition of the liberal arts, these factors

constrain decision making and survival of middle-tier Liberal Arts Colleges in their current form. The death or significant transformation of effective liberal arts colleges may represent a loss in both the great diversity of American higher education and in colleges that report greater success across several important measures including learning, engagement, persistence, and graduation.

Middle-tier Identity

Private, middle-tier institutions occupy a unique position within the liberal arts college market. Middle-tier colleges are structurally equivalent to the elite liberal arts colleges; similar in size, nature of the academic program, and structure of the residential student experience. Carnegie classifications would place small liberal arts colleges within the *four-year, small, highly residential* classification (Carnegie, 2010). These colleges enroll less than 3000 undergraduate students, 50% of whom live on campus and 80% of whom attend full time. Liberal Arts Colleges like these encourage critical thinking and interdisciplinary learning, and value students' opportunity to engage and forge strong relationships with a committed faculty (Brenneman, 1994). However, creating this kind of educational experience for undergraduate students is an expensive proposition for Liberal Arts Colleges.

Additionally, the competition for students and resources has contributed to the rising cost of higher education (Kirp, 2003). According to 2016 U.S. News and World Report data on U.S. colleges, the average cost of tuition and fees at the most expensive private colleges amounts to $52,828 for those students who pay the full rate (Powell, 2016). Tuition discounts in the form of institutionally provided grant-based aid can significantly reduce the cost of attendance at many of these selective colleges. According

to the National Association of College and University Business Officers' (NACUBO) 2015 Student Discount Study, the average discount rate for first-time, full-time freshmen at private, nonprofit colleges in the U.S was 48.6 percent for the 2015-2016 academic year. Tuition discounts of this type have risen by 10% over the past decade to keep pace with tuition and fees (NACUBO, 2016).

Competition for students between colleges with vastly different capacity to fund high discount rates and provide the growing list of amenities that students and families have come to expect from residential colleges has put many colleges at a competitive disadvantage (Kirp, 2003). Although tuition discounting benefits students and families in making college attendance more affordable, the capacity of many institutions to provide this amount of aid depends on institutional wealth that can meet the need of the recruited class. For schools with modest endowments, the competitive costs of yielding the very best students, whom require some financial assistance, is a limiting factor in enrollment.

Competition for students can take many forms, from tuition discounting and facilities improvements to academic program enhancements. Historically, Liberal Arts Colleges resisted the professionalization of curricula that emerged at both public and private colleges across the country (Zakaria, 2015). Dating back to early 18th century, the role of a liberal education was in part to emphasize and instill a value of learning for learning's sake and to train the mind to think rather than to focus on skills based learning (Zakaria, 2015). The Yale Report described the role of liberal education as to lay the common foundation for education rather than to focus on what is particular to any of the professions (Henderson & Davie, 1928). Therefore, the professionalization or

vocationalization of curricula has long been a concept that is considered anathema by
Liberal Arts Colleges and the principles on which it is grounded.

Although higher education leaders resist the vocationalization and
commercialization of higher education, competition leads many vulnerable colleges to
consider expanding the academic program, within their existing structure, to include
courses of study that do not pertain to the traditional liberal arts core. Business is one of
the most popular undergraduate U.S. majors, accounting for more than 20% of degrees
earned (Herrington & Arnold, 2013). This expansion of the academic offerings at liberal
arts colleges is one important aspect of the transformation within this field of intuitions.
That innovation in curricula may threaten the historic identity and culture of middle-tier
colleges. However, for vulnerable, tuition-dependent, Liberal Arts Colleges the impact
of institutional wealth, the primacy of enrollment, and the value of institutional reputation
combine to create an environment that may require uncommon innovation to help ensure
survival (Brenneman, 1994).

Rankings: A Proxy for Reputation, Selectivity, and Endowment

Brenneman (1994) identified middle-tier colleges as a set of institutions that have
proven to be resilient amidst almost constant vulnerability. Clark (1970) identified
institutional history and saga as vital to establishing a distinctive reputation. There are
several vital factors that may contribute to a college's distinctive reputation in the market
and its ability to persist in a competitive higher education market; (a)
enrollment/admission selectivity - measured by the number of accepted students relative
to the size of the applicant pool; (b) *institutional wealth* - measured by endowment; (c)

institutional effectiveness - measured by retention and graduation rates; and the (d)

quality of the educational experience as measured by student-faculty ratio and percentage

of full-time faculty who hold terminal degrees (Cyrenne & Grant, 2009).

For the purposes of this study, it was important to identify a measure that

reflected the combined effect of each of these vital factors on an institution's reputation

and ability to compete in the market. It was also important to find a methodological tool

that would help identify and define the middle-tier liberal arts college. Factors integral to

defining the middle-tier and selecting the case - admissions selectivity, endowment

variables, retention and graduation rates, and strength of the academic program - also

feature prominently in the determination of rank in prominent reputational rankings

publications (Bastedo & Bowman, 2010). Although the methodological underpinnings of

the reputational rankings algorithms are beyond the scope of this this study, the 2012

U.S. News Rankings of National Liberal Arts Colleges serve as a proxy for institutional

reputation in the market and an organizational tool by which to help frame and, in part,

define the middle-tier liberal arts colleges examined in the study.

The U.S News and World Report ranking is the oldest and most highly publicized

of the reputational rankings and has been shown to significantly influence the college

selection process for many students and families (Bastedo & Bowman, 2010). Each of

the factors mentioned, in addition to others, combine to create a standardized institutional

profile for students and families by which they can compare, contrast, and evaluate

institutions. U.S. News rankings utilize Carnegie classifications for each institutional

type including, but not limited to, Doctoral, Master's, Baccalaureate, and Associate

Colleges. Faculty and administrators external to the institution, as sources of data,

provide ranking publications that rely on self-reported institutional data and survey

responses. U.S. News then utilizes a proprietary algorithm to produce national published

reputational rankings (Bastedo & Bowman, 2010).

Selectivity and Wealth

Two factors pertinent to this study and influential in the determination of rankings

are student enrollment and institutional wealth. These factors emerged as especially

relevant in this study of middle-tier liberal arts colleges and require some additional

framing here. For small colleges, student enrollment is the life blood of the institution

and enrollment for tuition-dependent institutions remains the primary source of

institutional revenue and, thus, enrollment emerged as an important variable in this study.

In a competitive market, middle-tier colleges must work effectively and creatively to

attract both the quantity and the quality of applications necessary to thrive and compete

(Kirp, 2003; Brenneman, 1991).

Large *endowments* strengthen an institution's ability to be creative and nimble, to

help yield the best class, to leverage larger financial aid packages, and to provide for

investment in the improvements to the campus that help make the college more attractive

to students, maximizing yield, selectivity, and net-tuition revenue (Brenneman, 1994).

Brenneman (1994) found that middle-tier liberal arts colleges depend more heavily on net

tuition revenue and are therefore more vulnerable in difficult economic times. This is

particularly relevant in the post-2008 economic downturn that so severely affected both

family and institutional wealth.

Of the 35 schools ranked within the middle-tier in 2014, eight (8) had both

endowments valued at less than $200,000,000 and enrollment of less than 2500 students

(US News, 2012). By comparison, the 35 schools ranked within the top tier have an average endowment value of more than $793 million. The highest endowments among national liberal arts college exceed $2 billion dollars. The largest contributors to a college's operating budget are net tuition revenue, a percentage contribution from the endowment, and donors' contributions to the annual fund (Summers, 2004). Tuition dependency is a measure of the proportion of the operating budget which relies on enrollment and tuition (Doti, 2004). Wealthy institutions with large endowments have larger contributions from the endowment applied to the operating budget, and hence have less dependency on net tuition revenue and other sources of revenue. Institutions with smaller endowments must depend on enrollment and net tuition revenue to cover a greater proportion of normal operating expenses of the college because the draw on the endowment is necessarily smaller. In real terms, a 5% draw on a $1 billion endowment is equivalent to a $50 million contribution to the operating budget, while a 5% draw on a $100 million endowment is equivalent to $5 million-dollar contribution. Therefore, endowment values signal that these institutions are heavily tuition dependent and, therefore, the incoming class must balance academic preparedness and financial need – a stressor on financial aid – with the diversity, size, and strength of the group. This dynamic and the cost of this kind of competition are at the heart of this study of strategic choice and decision making at Middle College.

This study explored the shifts that a post-2008 higher education environment may have produced at a representative middle-tier liberal arts college like Middle College. A thoughtful analysis must account for a range of complex variables from wealth and selectivity to vulnerability, notions of reputation and organizational legitimacy. This

study of middle-tier colleges requires the alignment of a theoretical perspective with the

practical realities of muddled, complex, and political organizational decision making

processes.

Research Questions

This study rested on the premise that external environments affect organizational

behavior and decision making (Hall, 1987). At the broadest level, this study was an

investigation of how a competitive environment impacts strategic choice and decision

making at middle-tier liberal arts colleges. The central question of this case study

investigation is, "How did Middle College arrive at the decision to implement an

undergraduate business major in 2014?" This case study attempted to specifically

examine decision making within two interrelated processes at Middle College. Those

processes include: (1) the development of the strategy from which the business major

emerges as a viable option, and (2) the decision making process that results in the

successful faculty vote to adopt the major.

The undergraduate business major represents one of the seven strategic options

that emerge from the Middle College strategic planning process. It was selected as the

focus of this study because of its apparent inconsonance with the established curricular

tradition at liberal arts colleges, including Middle College. Professionalized majors, like

business, have been considered anathema to the liberal arts, but as colleges and

universities continue to respond to the growing student interest, curricula have evolved

(Veblen, 1993). Although professionalized majors like accounting, business, nursing, and

engineering exist at comprehensive institutions, they are less present at traditional liberal

arts colleges. Until 2014, there are no "professional" major courses of study at the college, which makes this decision particularly noteworthy.

Questions centering on the environmental and organization context for these decisions, strategic choice, decision making processes and outcomes served to further guide the investigation of strategic decision making at Middle College. The following questions served to frame this study of decision-making.

- How did the organization relate to its environment in a time of crisis?

- What were the elements of decision making and how did they resulted in the adoption of the business major?

- What impact did these decision making processes have on the structure of the institution?

Middle-tier liberal arts colleges exist within an especially competitive higher education market environment. Understanding decision making within this field of institutions may shed light on organizational responses that help colleges to contend with abiding vulnerability. The aforementioned probes attempted to specifically access the motivations, catalysts, context, process, and outcomes so as to counter the potentially amorphous nature of descriptions of complex relational processes.

Theoretical Framework

Surrounding this exploration of strategic choice and decision making are a myriad of questions about why organizations act, the perceptions, beliefs and realities that frame institutional responses, and the effects of vulnerability and uncertainty on organizations. At the heart of this study were questions about how external pressures and

internal organizational qualities combine to shape responses to vulnerability and

crisis. This study, and indeed the nature of this interrogation of organizational behavior

at middle-tier liberal arts colleges, necessitates engagement with a complex set of

variables that include competition, reputation, organizational strengths, and

vulnerabilities. Concurrently, colleges also embody existing organizational models that

inform strategy, decision-making, and organizational behavior. The need to understand

both the impetus for organizational actions – ("why" organizations act) – and the

processes by which they enact decisions – ("how" organizations act) requires a

multifaceted approach to the interrogation and analysis of these phenomena. The use of

DiMaggio and Powell's (1983) Institutional theory, or theory of institutional

isomorphism, provides a theoretical perspective in which to ground this study that takes

vulnerability, uncertainty, reputation, legitimacy and decision making into account within

the context of organizational fields of institutions.

DiMaggio and Powell's (1983) *theory of institutional isomorphism and collective*

rationality in organizational fields provides the grounding and a unique lens to examine

decision making at private, middle-tier liberal arts colleges. The authors define

organizational fields as a set of organizations that, in the aggregate, constitute a

recognized area of institutional life including suppliers, resources and products,

consumers, and other organizations that provide or produce similar goods or services

(DiMaggio & Powell, 1983). The Anaheim Group, comprised of regional colleges with

whom Middle College is in direct competition, represents one such organizational field.

Institutional theory is grounded in Weber's (1946) theory that the power of

bureaucracy creates an "iron cage" that controls and limits the actions of rational actors

within organizations (Meyer & Rowan, 1977; DiMaggio & Powell, 1983). DiMaggio and

Powell (1983) found that institutions seek membership into established groups (or fields)

that provide them with particular benefits. Whether that benefit is greater legitimacy,

protection from market forces and competition, or access to vital resources, rational

actors, in this case academic leaders, tend to make decisions that are integral to survival.

The authors contend that once a set of organizations emerges as a field, a paradox arises

wherein leaders create conditions within which institutional actions tend to make

organizations increasingly similar as they try to change (DiMaggio & Powell,

1983). Decisions tend to skew away from differentiation and toward homogenization.

　　　　Although organizational fields initially display considerable diversity in approach

and form, once well-established, there is an inexorable, isomorphic push towards

homogenization (DiMaggio & Powell, 1983). DiMaggio & Powell (1983) also stated that

"highly structured organizational fields provide a context in which individual efforts to

deal rationally with uncertainty and constraints often leads, in the aggregate, to

homogeneity in structure, culture and output" (p. 147). The implication is that decision

makers construct, perceive, or experience an environment that constrains their ability to

change, essentially, replicating Weber's metaphorical "iron cage". In this way,

membership provides certain benefits within the market but also functions as a

constraining force on leadership and decision-making.

　　　　Aurini (2006) argued that more vulnerable organizations may be freer to adopt

programs and policies that may change conventional goals of the dominant organization,

which may lead to fundamental changes in the form of the organization, myth-creating,

or confidence building for an institution. This study focused on both strategic choice and

decision making at Middle College. The adoption of the business major represents a distinguishable structural change that provided an opportunity to interrogate the impetus for the change and whether the Middle College decision comports Powell and DiMaggio (1991) contention that isomorphism is indeed taking place within the middle-tier liberal arts college.

Given the interaction of the variables in this study, including enrollment, reputation, vulnerability, and survival, institutional theory provides an appropriate theoretical foundation and analytic lens through which to explore the questions surrounding strategic choice and decision making at Middle College.

<div align="center">Significance of the Study</div>

Seminal studies of liberal arts colleges on which this project builds include *The Distinctive College* (Clark, 1970) and *Liberal Arts Colleges: Thriving, Surviving or Endangered* (Breneman, 1994). This study of decision making at middle-tier liberal arts colleges is significant for several reasons. First, it represents an important next step in the study of liberal arts colleges and can serve as a companion to Breneman's (1994) study. In combination, scholars will have an opportunity to consider the financial framework proposed in Brenneman's project alongside the strategic decision making processes explored and leadership perspectives shared in this study to posit further questions about this important subset of institutions. Although marketization and consumerism in higher education have been studied and continue to be the focus of work at large institutions, these concepts have not yet been fully extended to the study of small, middle-tier liberal arts colleges.

This study also provided a close examination and analysis of a discrete set of decisions that may provide insights into the institutional transformations that are occurring within this tier of liberal arts colleges. Pressures from a competitive higher education market force institutional mergers, closures, and other organizational adaptations, particularly among small private colleges. For instance, within the period during which this study was undertaken, several institutions announced such impending changes. On August 10th, 2017 Marygrove College in Detroit announced that it would close all undergraduate programs (Seltzer, 2017). On August 18th, 2017, Rider University announced that it had identified a potential buyer for Westminster Choir College with which it merged in 1992 (Jaschik, 2017). On October 11th, 2017, Boston University announced a merger with Wheelock College, that would combine the doctoral programs of Boston University's School of Education with the early childhood areas of Wheelock's School of Education, Child Life and Family Studies, in addition to joining Wheelock undergraduate programs with appropriate BU programs (Jahnke, 2017). The merger seeks to enhance Boston University's programs and sought to preserve the mission of Wheelock College. The findings of this study may shed further light on the varying strategies used to help ensure survival at middle-tier liberal arts colleges. This study also provided perspectives that contribute to existing scholarship on academic leadership, academic strategy, decision-making, shared governance, and organizational identity.

Chapter II

Review of the Relevant Literature

The following chapter outlines and summarizes the review of literature relevant to this study of organizational decision making in higher education. The organization of this review mirrors the chronology within the study which foregrounds the organizational and environmental contexts, discusses its impact on decision-making, and explores the effects of those decisions on the institution. The collection of literature reviewed for this study accounts for historical and contextual references necessary to understanding the environment from which this study emerged, including a brief history of Middle College culminating with the 2008 economic downturn which precipitated the organizational actions at the center of this research. A review of academic work follows the historical and contextual literature pertaining to the study of organizations and their environments, which provides a foundational understanding of this important interaction. The review concludes with a summary exploration of canonical literature on organizational decision making and the outcomes of this important organizational behavior, which is at the center of Middle College study.

History of Middle College

Middle College is a small, middle-tier liberal arts college. It began as a single-sex institution that underwent an evolutionary process that transformed the school from a pioneering seminary to historic single-sex college, and later to a co-educational institution. Throughout their history, shifting demographics, societal changes and emerging competition threatened the viability and survival of liberal arts

colleges. However, Middle College and many other small colleges persisted as effective institutions for almost two centuries.

Like its 19th century counterparts, it was established to provide middle-class students the same level of education as was provided at some of the more elite institutions. Had Middle College resisted co-education, it would stand as one of the oldest continuous institutions dedicated to single-sex education in its region.

The Great Depression brought transformation and change for seminaries. The modern mid-19th century students' needs to participate in work life predicated a shift in higher education. As curricular offerings expanded at the seminaries, the seeds of transformation took root. By the early 1900's, Middle College and other seminaries had successfully transitioned into liberal arts colleges. These small colleges emerged as inventive and resilient institutions, although transformation and adaptation have continued to characterize them throughout their modern histories (Brenneman, 1994).

A variety of external threats emerged for single-sex, liberal arts colleges including increased competition for students. As a result, co-education emerged as another opportunity for Middle College to adapt and transform itself both in reputation and market reach. Middle Colleg transitions from a single sex institution to a co-educational institution in the late 1980's. Co-education spurred enrollment, helped further expand college facilities and secure the College's longer-term survival.

Middle College transitioned successfully, and by the year 2000, had emerged from a college in decline to a college on the rise. Middle College gained national attention for their distinctive approach to curricular development and for their success in diversifying the college's faculty at a time when elite institutions were having trouble

attracting black professors (Wilson, 2000). The increased focus on competitiveness spurred further curricular innovation at the College in the form of a curricular redesign that centered issues of identity into every major course of study. In 2004, the College was one of 20 colleges in the country identified as a standout among its peers and a leader among several measures of student success. Throughout this period, innovation and curricular transformation garnered national attention, student and faculty interest; and fueled increases to student enrollment that significantly impacted selectivity and reputation. According to campus administrators, from the late 1990's through 2010, Middle College thrived in enrollment and budget surpluses, a growing national reputation, improved selectivity in admissions, nationally-ranked athletics programs, and unprecedented nationally-recognized student achievements. Through the myriad challenges and transitions of the last five decades, Middle College survived and appeared to emerge as an effective and often enviable institution.

The history of small colleges is one of triumph over tremendous odds and liberal arts colleges stand out as one of higher education's greatest success stories (Brenneman, 1994). However, these private colleges have remained heavily tuition-dependent, which makes them vulnerable to shifts in the economy and a competitive higher education environment. The 2008 economic downturn had a profound effect on colleges and universities broadly and an acute impact on tuition-dependent institutions like Middle College, specifically. Colleges and universities lost an average of 20% of the market value of their endowments on which they depend for a sizable proportion of their operating budgets, including student financial aid. The loss estimated at over $94 billion. The downturn represented a higher education crisis that would "challenge our

community to redefine who we are and what we do in light of the new economic realities" (Katz, 2009). The post-2008 environment posed revenue and enrollment challenges at tuition-dependent colleges. For academic leaders at Middle College, it would again represent an environmental threat to which the college would have to respond.

In 2008, academic leaders at Middle College countered, first with an Integrated Financial Plan, and later with the Middle College Strategic Response plan. The "drivers" of that plan included the adoption of an undergraduate business major, normally viewed as outside of the traditional, liberal arts core curriculum. Many liberal arts colleges thrived and emerged as 21st century leaders – adhering steadfastly to the value of the small college experience (Kirp, 2003). Others survived, by both extending the traditional curriculum and recasting the common conceptualization of a traditional liberal arts college experience, which is a focus of this study on strategic decision making and transformation at middle-tier liberal arts colleges.

The Post-2008 Economic Downturn

In the five months following the close of the 2008 fiscal year, college endowments earned an estimated minus 22.5 percent, which represented losses of approximately 20% of their market value. The overall drop represented an estimated $94 billion decline in market value for institutions surveyed (Blumenstyk, 2009). The downturn would have dramatic effects on higher education including the impact on operating budgets, expanding enrollments, and an increased focus on revenue generation that would challenge vulnerable institutions for decades to come (Barr & Turner, 2013).

The Great Recession of 2008 meant something very different for private and public colleges. For public colleges, the result of the downturn meant an increase in enrollment, as Americans lost jobs and turned to higher education for skills and preparation. That increase in demand, however, coincided with a decreasing state appropriations for higher education, representing an almost $2 billion shortfall for public colleges and declines in resources for students (Barr & Turner, 2013). For private colleges, on the other hand, the shift to public education created a threat to private college enrollments as families were forced to consider the often less expensive public options. Although, enrollments increased in all sectors of higher education, non-profit four-year institutions suffered the most. Barr and Turner (2013) discovered that although these colleges represent 20% of total college enrollments, they absorbed only 10% of students enticed to enroll as a result of the recession. The downturn spurred enrollment in community colleges and for-profit colleges most and represented an increased competition for students and families.

For both private and public colleges, the downturn came at a time of declining public support for higher education, attributed in part to rising costs and increased student indebtedness (Barr & Turner, 2013). For tuition driven liberal arts colleges, under-enrollment accompanied by endowment losses, resulted in significant decreases in operating budgets and pressure to set tuition low enough to compete for students, but high enough to support operations created increased vulnerability in the higher education market (Smith, 2013). Budget shortfalls, increased competition and the specter of declining enrollments exacerbated long-standing vulnerability and introduced a level of

uncertainty for tuition-dependent liberal arts colleges that required an immediate response from college leaders.

Organizations and Environments

A central premise of this study was grounded in the understanding and interaction between organizations and environments. Hawley (1981) defines the environment as all of the phenomena external to the population being studied, that either actually or potentially influences that population. Research on organizational behavior and environments dates back to the mid-20th century and spoke to the bidirectional influence that environments and organizations have on one another. Weber's (1947; as cited in Hall, 1987) classical analysis of the rise of capitalist organizations suggested that environmental conditions were no less important in the period following the Protestant Reformation than they were in the mid-20th century. Hall (1987) also asserted that no organization is an island and that the environments within which they exist are critical to the understanding of what happens both within and around them. Other analysts go further and view the environment as the only factor necessary for the understanding of organizations (Tolbert & Hall, 2009).

Organizations and environments share a dynamic relationship. Every organization is dependent on its environment, to some degree, for resources and research in this area has focused on the practical importance of this relationship (Tolbert & Hall, 2009). The more dependent an organization is on its external environment, the more vulnerable it is. Aldrich and Pfeffer (1976) describe organizations as active, changing, and constantly responding to their environments. When an organization is vulnerable, it

can react to the environment in a variety of ways (Liblebici & Salancik, 1981). Organizations adapt internal strategies to deal with the real or perceived environmental pressures (Snow & Hrebreniak, 1980). Administrators, according to Aldrich and Pfeffer (1976) manage environments and organizations, towards the goal of acquisition of resources to ensure survival as well as to stabilize organizations in uncertain environments. Contingency theory suggests that there is no single best way to cope with environmental pressures and the specific stance that an organization takes derives from choices that are made within it (Tolbert & Hall, 2009). Aldrich and Pfeffer (1976) also differentiate between environmental threats that stem from resource dependency from those that natural selection models of organizational change. Tolbert & Hall (2009) further found that organizations respond to external environmental pressures in ways that are neither predictable nor always rational.

In their study of banks, Liblebici and Salancik (1981; 1982) examined the effects of volatility and uncertainty in the environment. They found that noted that volatility and uncertainty directly affected the decision making of loan officers. Specifically, they noted that in volatile environments loan officers faced greater uncertainly over whether loans would be repaid, therefore, irrespective of the normative standards for loan approvals, fewer were in fact approved. Environments are noted as one of the primary sources of uncertainty in organizations and emerged as a vital concept in this study on decision making as well.

Meyer and Scott (1992) note that research in this area has shifted over time from a focus on technical to social and cultural linkages between organizations and environments. They further note that environments and organizations have become

increasingly organized and compete as members of larger systems, rather than autonomous units (Meyer and Scott, 1992). In addition to uncertainty stemming from volatility in the environment, competition from other organizations also represented an environmental threat. Real or perceived threats represent potential vulnerability for institutions and are therefore addressed in an effort to compete and survive. Responses to environmental threats can take many forms. In a study of hospitals, Fennel (1980) found that hospitals increased or expanded services because they believed that they would be viewed as sub-standard if they did not meet or exceed services that other hospitals offered. Improvement, in these cases, was a response to a perception rather than as a response to patient or consumer demand. Freeman (1979) found that cuts in local school districts were often the result of external pressures rather than informed decisions from internal stakeholders with knowledge of the districts needs and challenges. Scott (1991) and Zucker (1988) found that, in such cases, organizational legitimacy represented one of the most vital resources organizations depend on from the environment.

Other organizations within a field of institutions can also present a threat to organizational legitimacy which threatens survival (Meyer & Scott, 1992). Brint, Riddle, and Hanneman (2006), in their study of organizational reference sets within higher education, similarly noted that organizations within a reference set influence one another resulting in isomorphic responses from more vulnerable organizations within the set. In a study of both Wheaton College and Russell Sage College, Youn and Loscocco (1991) found that isomorphic pressures within an organizational field prevail even in favorable conditions. Meyer and Scott (1992) also found that organizations are affected by the structure and relationship to the field in which they are embedded, that fields are

impacted by the larger systems of which they are a part, and that in turn those larger

systems respond to societal expectations and pressures.

Societal conditions also play an important part in the environment and how it

affects originations. Political, legal, technological, demographic, geographic and

economic conditions all contribute to create environments that impact organizations

((Tolbert & Hall, 2009)7). Societal expectations reflect the impact on a company of such

things as government policy, social concerns, evolving norms, and many

others. Freeman (1979) found that cuts in local school districts normally reflected

external environment pressures rather that the decision that the school organizations

might have made themselves. Fennel (1980) found that hospitals expanded their services

not because of the needs within the patient population, but because they believed that

they would be judged unfit if they could not offer everything that other hospitals in the

area provided. Fennel (1980) concluded that hospitals are status rather than market or

price oriented. The state of the economy may also have a particularly important effect on

the higher education market.

In summary, organizations and environments are inextricably linked.

Organizations seek to gain and maintain power over the environmental conditions that are

of strategic importance to them. They seek stability over volatility and predictability over

uncertainty. An organization with strong financial resources is less vulnerable to

economic fluctuations that one with no reserves (Hall, 1987). Several studies have

shown that some environmental pressures are related to formalization and a general

tightening of organizations (Freeman, 1973). Alternatively, loosely coupled organization,

like colleges and universities, are often more agile and adaptive to the environment, and

are more likely to develop innovations that might be beneficial in responding to environmental pressures (Weick, 1976; as cited in Hall, 1987).

Competition and Reputation

American higher education characterized by several distinct types of institution represent a highly competitive, dynamic, environment competing for the very best students from increasingly diverse pool of applicants. Today's college choice process exceeds the previous generations' in the level of access to information, the differences in both mode and method of delivery of the education, and the nature of competition for the most desirable students. The higher education environment today is represented by fierce marketing and branding that influences institutional reputation, in an effort to increase interest and admission selectivity in high stakes recruitment and yield process that represents the primary resource for most tuition dependent colleges. Exacerbated by the rising cost of attendance and increased students' indebtedness, colleges and universities exist within an environment where institutional reputation and wealth are some of the most effective tools to help yield promising students each year Brewer, Gates & Goldman, 2002).

Today, students shop for colleges in much the same ways as they shop for any other commodity. It is difficult to ascertain, however whether the student is purchasing instruction in a discipline, a credential for entry into a profession, or the cultural capital that would provide access to other social benefits (Molesworth, Scullion & Nixon, 2011). In many cases, it is likely that students and families seek all of these. In the economist's perfectly competitive environment, entry is free, existing competitors have limited bargaining power against customers, and rivalry is unbridled because all products

are alike (Porter, 1980). Higher education, on the other hand, exists as an extremely diversified and highly controlled "quasi-market" in which institutions to compete for students, faculty and funding from alumni, donors, and philanthropic organizations (Molesworth, 2011). Existing competitors have significant influence on students and families, and products are increasingly dissimilar in overall experience, outcomes, and long-term payoff. Porter (1980) held that competition and success in an industry are dependent on finding a position within the industry where the organization can best defend itself against competitive threats. For many colleges, it is also dependent on the extent to which an institution can distinguish itself from others, establish a distinctive reputation, and attract new students and funding.

Abraham Lincoln described character as *"... a tree, and reputation is like a shadow. The shadow is what we think of it; the tree is the real thing."* Reputation can be defined as the general public's cumulative impression of the character and quality of an institution, its offerings, and its students (Freid, 2005). In "The New Race to be Harvard or Berkeley or Stanford", Kerr (1991) contended that an institutional reputation, once attained, continues to draw resources, accrue benefits, and serves as its greatest asset. Freid (2005) considered reputation an asset similar to human capital and endowment funding. Prestige can be more accurately understood as the beneficial result of having attained a positive and distinctive reputation (Brewer, Gates, & Goldman, 2002).

The factors that contribute to the success of a top-tier college or university in this higher education environment are too many to list, and difficult to quantify or analyze (Clark, 1970). In today's dynamic higher education market, a distinctive reputation serves

as one of the most vital resources in distinguishing institutional quality. According to

Clark (1970), a distinctive reputation is shaped by institutional responses to threats or

changes in the external environment, and impacted by access to vital resources including

to undergraduate students. One of the ways in which colleges and universities distinguish

themselves is attracting the very best students. There are tangible institutional benefits to

attracting the very best students, including the recruitment of top scholars, attracting

larger research grants, and securing large gifts from alumni and donors (Slaughter &

Leslie, 1997). However, none is more important than helping to develop a distinctive and

enviable institutional reputation. Reputational benefits measured by the number of

applications received include the impact on admissions selectivity and the resulting

potential uptick in the higher education pecking order, marked, in part, by published

rankings (Kirp, 2003).

DiMaggio and Powell (1983) found that a distinctive reputation not only helps an

institution differentiate itself from competitors and successfully recruit stronger students,

it also extends membership into organizational groupings that reinforce its distinguished

status. Selective admissions are a marker of success at all institutions, but it is especially

valued at elite institutions, or institutions that benefit greatly from the perceived value of

selectivity in the admissions process. The most selective American institutions reject

more than 70% of applicants creating the perceived scarcity value of a degree from a

selective institution. This market environment transformed college recruitment from

traditional admissions practices into corporate-like institutional branding, recruitment,

and enrollment management models.

In a time of dwindling federal and state support for higher education, the escalating cost of higher education posed significant challenges in attracting students who might ultimately enroll. Among elite universities this escalation has been primarily attributed to what economist Charles Clotfelter refers to as the competitive cost of top-dogism (Kirp, 2003). These costs refer specifically to institutional expenses that help recruit and entice a larger number of students to apply, increase selectivity, extend institutional reach and bolster institutional reputation. However, for segments of the higher education market without the benefit of storied histories, wealthy donors and billion dollar endowments, admissions selectivity, or prominent positions in published, national, reputational rankings, a prized and distinctive reputation and the material benefits therein, are elusive, if not unattainable. For colleges with modest endowments, outside of the top tier, the consequences of this kind of competition can be disastrous and competitive strategy becomes that much more important (Kirp, 2003).

Organizations and environments, especially within higher education maintain a dynamic and changing relationship in a market that is exhibiting historic changes. Organizations remain dependent on environments for vital resources and are affected by societal expectations, access to resources, competition, and advances and changes in the industry. Real or perceived competition from other organizations remains a primary source of uncertainty and vulnerability in the environment which prompts organizations to respond to existing threats to enrollment and other resources. Organizations will continue to attempt to influence their environments and reflect adaptive organizational responses to help ensure their own survival.

Organizational Culture and Identity

This study on organizational decision making requires an understanding of organizational culture. Literature on organizational culture relevant to this study focusses on the interaction between culture and history, identity and organizational change. Clark (1970) understands culture as shaped by history and saga, helps to shape identity, and influences organizational change. Literature in this area seeks to first define organizational culture and its development. Additionally, the relationship between culture and institutional history, the role of organizational stories is a primary focus of the development of culture. The following sections summarize the findings and perspectives represented in the research on this important area which are relevant to the study of decision making at Middle College.

 Central the study of decision making at Middle College is the concept of organizational culture and change. Culture is understood as webs of significance created by man and the analysis of culture as an interpretive science in search of meaning (Tierney, 1988). Tierney (1988) also states that organizations mirror societies in that there are groups and subgroups which create a unique culture and that without groups, there can be no culture. Culture in organizations is comprised of various factors including, institutional history, saga, stories, and inherent ways of doing and being (Tierney, 1988).

Culture also impacts the development of organizational rules and routines (Allison & Zellikow, 1999). In a study of the launch of the space shuttle Challenger, Allison and Zellikow (1999) discuss the relationship between rules, routines and the development of culture. Specifically, they found that rules and routines both reflect and

reinforce culture. From an organizational perspective the rigorous norms and rules of a

technical engineering culture at NASA made each of the decision moments in the

Challenger launch sensible to those who participated in it. However, the results were

catastrophic. Outsiders, who saw the consequences of those decisions, understandably

viewed the process as flawed (Allison & Zellikow, 1999). Although the conditions for

the launch decision were unprecedented, Diane Vaughan, a sociologist who led the

investigation of the incident, found that conforming to the organizational routines was

responsible for the outcome. Allison & Zellikow (1999) highlighted that when

confronting uncertainty, the rules and routines of a culture normally prevail, resulting in

conformity rather than deviation. These factors, along with many others, are woven

together with the history, actors, and leaders to create the fabric of an institution and to

explain its behavior.

The Role of History and Stories in the Development of Culture

Clark (1972) contends that the development of culture is essentially rooted in

histories which carry and codify institutional meanings. Institutional history is

characterized and passed on through stories, memories, and often exaggerated

characterizations of the lived organizational experience (Clark, 1970). The retelling and

accumulation of shared stories helps to create an institutions unique character through the

memories and understanding of organizational members. Members characterize

historical events through the sharing of stories and, along with lived experience, these

serve as the building blocks of organizational sagas (Clark, 1970). Organizational saga is

form of story that shares a narrative of heroic exploits, unique developments, or meaning

making moments that stirred the emotions of members of a community or organization (Clark, 1972). Both history and organizational sagas begin to answer essential cultural questions like, "What is important about our organizational history? What are the organizational values? How do we characterize our internal and external relationships? How do we do things around here? and What makes this organization unique or distinctive (Clark, 1972)?"

The literature on the role of sagas, stories, and organizational communication is partially grounded in cognitive social psychology, sociology, anthropology, and organizational culture and theory. Clark (1972) helps to define the instrumental role of sagas in the development of culture wherein saga refers to the normative bonds and unified set of publicly expressed beliefs about a formal group or organization. Accordingly, those beliefs must be rooted in history, claim unique accomplishment, and be held deeply by a membership group. Thus a saga is not simply a story but a story that refers to an actual history and after some time has attracted a particular base of believers. Belief is crucial to imbuing a historical moment with pride and identity for the group (Clark, 1972).

Stories serve as a form of implicit communication and a cogent method to share organizational information including history. Implicit communication of this type is used by leadership to communicate information about organizational culture, appropriate processes, organizational philosophy, and information that is difficult to deliver in a quantifiable way. However, stories serve as only one form of implicit communication used in organizational contexts (Martin, 1982). Stories, told repeatedly, tend to become myths or legends, and a unique collection of stories of this type create organizational

folklore (Martin, 1982). Schein (1985) holds that stories, legends, myths, and parables about important events and people serve as important reinforcement mechanisms within organizations. Martin (1982) considers stories powerful transmitters of meaning within organizations, used to retell history of organizational origins and usually represent a history that helps legitimate distinctiveness.

Symbols and Symbolism in the Development of Culture

Stories, myths, and legends are strong transmitters of organizational culture (Barley, 1983; Bolman and Deal, 2013). So too are speeches, language, statues, spaces and routines. There are several ways in which organizational members understand the organizational history and context through the symbolic nature of space, terms, and settings. Strong cultures use symbols to help identify and understand meaning-making roles within organizations. Semiotics, the study of signs and their systems, helps the study of organizational culture to investigate the role of representative symbols, as well as symbolic actions, which contribute to systems of significance within organizations (Barley, 1983).

Barley (1983) holds that chains of meaning must be learned in order to socialize members into any social group and that symbols serve as both denotative and connotative codes, transmitting meaning at both surface and deep level. Actions, spaces, settings as well as tangible objects can serve as symbols. Logos, stories, jargon, rituals, spaces and places are symbolic in nature and pervasive in organizations. Barley (1983) shared that symbols provide members of a social group with messages placed within contexts that enable a shared organizational understanding and help derive meaning from the

organizational world. Edelman (1964) found that powerful symbols condition acts and mold the personalities of the actors. As it relates to this study, notable acts of institutional leaders played an integral role in the development of the business major at Middle College, which this important literature helps to inform.

Edelman (1964) found that within organizations there are no neutral scenes and that settings play an important role in strong cultures. Politically relevant settings are both physical and social in character and integral to meaning making (Edelman, 1964). Together with the important role that language plays in organizational culture, settings that share values are especially potent in influencing behavior and makes it difficult for people to perceive alternative possibilities or realities. Settings are interpreted, therefore people are free to assure each other that symbols means what they want them to mean.

Symbols, stories, settings contribute to the development of culture in a variety of ways. Based on the literature shared here, symbols, histories, and stories create a powerful narrative that influenced individual, group and organizational behaviors. These perspectives are particularly relevant to the study of colleges in a competitive environment.

Culture and Organizational Change

Caplow (1983) states that organizations must be adaptive in order to help ensure long-term survive and that adaptation is encouraged and facilitated when organizations are open to opportunities and sensitive to organizational threats. He further identified that a deep sense of commitment to one dominant value may limit the degree of openness to change and opportunity, consequently threatening institutional survival (Caplow, 1983). In effect, opportunities may be read as threatening change.

Kaufman, (1995) shared that organizations do not exist in a vacuum and that change occurs in spite of the barriers impeding it. Caploy (1983) found that the impetuses for change are either voluntary or involuntary and are produced by growth and decline. External threats, including competition, access and availability of resources, and turnover also initiate change processes within organizations (Caplow, 1983). Within social organization, changes in social values can produce a gradual change environment. Typically, organizations are either far ahead of these changes and become early adopters or, alternatively, far behind the changing value system, which produces protracted change, resistance, and conflict (Caplow, 1983).

Involuntary change is generally a result of changing demographic both within and outside the organization. Newcomers to an organization, including charismatic, inspired leadership, bring with them values and perceptions at least slightly divergent from older members and new viewpoints seep into organizations (Clark, 1970). Rapid growth and unexpected opportunity can force an institution to change rapidly, but a gradual changing of the guard is the unnoticed impetus for change (Clark, 1970).

March (1981) states that organizations also change because people deliberately change and reform them. Contrary to popular perception, most organizational change results neither from extraordinary ideas, exceptional skill, grand planning, nor uncommon imagination but rather from stable, routine processes that help organizations relate to changing environmental conditions and competition (March, 1981). Innovators and reformers are typically intensely at odds with defenders of the status quo and true believers in the old organization and its culture. Success or failure is determined by leadership's ability to clear systemic obstacles and win over opposition but can be

thwarted by the veracity of the true believers, and the legitimacy of the impetus for change (March, 1981).

According to March (1981), change takes place when people in organizations understand their roles and do what they are expected and charged to do, as defined by the roles and structure of the institution. Recent research in this area has described organizations as routine adaptive systems subject to some complications (March, 1981). However, March also believes that in general, theories of organizational change should be no different than theories of ordinary action. March (1981) contends that the manner in which people interact, understand and engage with rule following, problem solving, learning, managing conflict, and understanding contagions, helps to further define culture and direct behavior in organizations. These rules, routines and rituals direct behavior and provide stability in ambiguity.

Culture and Organizational Identity

A large and diverse concentration of literature on organizational culture centers on the role of culture in informing organizational identity and identification. Organizational identities help members make sense of what they do as defined by tacit cultural norms in relation to what they think their organization is (Ravasi & Schultz, 2006). According to a study conducted by the Association for the Study of Higher Education, a rich organizational culture is perhaps the key marker of the most highly regarded organizations (Toma, Dubrow & Hartley, 2005). At the same time, much of the research in this area focuses on how organizational identity threats, rankings, brand, and reference groups combine to contribute to the development of a salient organizational identity (Ravasi & Schultz, 2006; Elsbach & Kramer, 1996; Lawrence, 2006).

There are two prominent perspectives that serve as theories by which researchers interpret organizational identity.

1) The Social Actor Perspective theorizes that organizational identity resides in institutional claims about central, enduring and distinctive properties of their organizations. Scholars conceive identity as the combination of things that enable social actors to satisfy their inherent need to be the same yesterday, today, and tomorrow and to simultaneously be unique actors (Ravasi & Schultz, 2006).

2) Social Constructivist Perspective theorizes that organizational identity resides in collectively shared beliefs that members construct together in order to provide meaning to their experience. The sense making process underlies the social construction of organizational identities (Ravasi & Schultz, 2006).

Institutional culture provides a means to represent and make accessible what is accepted and what matters at an institution. Institutional culture also highlights a university or college's appealing attributes that drive institutional identification (Toma, Dubrow & Hartley, 2005). Ravasi & Schultz (2006) contend that organizational identities dynamically arise from the interplay between identity claims (who members say they are as an organization) and understandings (who they believe they are).

Building a brand name is an integral part of an institution's presentation of itself on a broader front—in the market. A robust culture provides the foundation needed to build a name brand, making the image of the institution appealing (Toma, Dubrow & Hartley, 2005). Building a brand is essentially a matter of shaping a distinctive identity and projecting an appealing, coherent and consistent set of images to the public (Toma,

Dubrow & Hartley, 2005). Branding takes place in a variety of ways including

membership in reference groups or reputational rankings.

These processes also makes it clear that culture highlights what matters in an

organization and reflects how it goes about its business, both for those within the

organization itself and those who are looking to join it (Toma, Dubrow & Hartley, 2005).

Yet organizational culture and identity are often formed as much by what an organization

says and does as it is by actors and environmental conditions that threaten organizational

identity, position, or access to valuable resources. Ravasi & Schultz (2006) also assert

that organizational culture shapes responses to identity threats which along with external

images significantly influence perceptions of organizational identity.

External competition threatens organization's internal perception of itself and its

ability to access resources; threats function as a motivating factor to reaffirm an

institutional self-image (ASHE, 2005). Elsbach and Kramer (1996) suggest that business

schools' reputational rankings threatened members' perceptions of valued, core identity

attributes of their schools, and challenged beliefs about their schools' standing relative to

other schools (Elsbach &Kramer, 1996). In response, members emphasize and focusing

on their schools' membership in selective organizational categories and reference groups

that highlighted favorable identity characteristics and interorganizational comparisons not

recognized by rankings (Elsbach &Kramer, 1996).

Organizational Decision Making

Hall (1987) described organizational decision making, simply as "the process by

which people make decisions within organizations and organizations represent the

context within which people work" (p. 13). Pertinent areas of literature important to this

study of organizational decision making span several areas including, but not limited to,

theories of choice, the role of institutional actors, structure of organizations, strategy, and

the impact of access to information. A primary distinction in the study of organizational

decision making centers on whether decisions follow a logic of consequence (choice-

based) or a logic of appropriateness (rule-based) (March & Heath, 1994). Scholars of

organizational decision making also make important distinctions between whether

rationality or uncertainty exemplifies decisions; clarity or ambiguity (March & Heath,

1994). Organizations, including middle-tier liberal arts colleges, may align more directly

with one or another of these processes, or they may alternate between them at different

times in the organizations history. March and Olsen's (1976) research in these areas

represented a significant portion of the canon on organizational decision making upon

which further research rests and this review depended heavily their collected

works. Finally, it is important to understand the relationship between organizations and

the environments within which they exist, as well as the impact these relationships have

on decisions.

Rational Choice & the Logic of Consequence

March's (1994) research in this area represents a major portion of the canon on

organizational decision making upon which further research rests. Therefore, subsections

of this review will depend heavily his collected works. March (1994) held that decision-

making, whether individual or organizational in nature, is most often characterized as a

product of rational choice, where rational is taken to mean reasonable, knowledgeable, or

intelligent. Within the decision making context however, "rational" has a narrower meaning, tied to rational theories of choice, and pursues a Logic of Consequence. March (1994) described this as rationalizing; explaining actions as in terms of alternatives and consequences where choices are conditional on four aspects: *alternatives, expectations, preferences and decision rules*. March and Heath (1994) explored these in the following ways, "What determines which *alternatives* are considered? What determines the *expectations* about consequences? How are decision makers *preferences* created? What is the *decision rule* employed" (p. 3)?

Limited & Bounded Rationality

Decisions are made based on limited or bounded rationality due, in part to incomplete or inadequate information for decision making, or due to the inability of decision makers to access and understand the information that is available (March & Heath, 1994). The limits of time, attention, and information are also crucial to nature of limited or bounded rationality (March & Heath, 1994). March and Olsen (1976) discovered that decision makers have limited attention, memory, comprehension, and communication. March (1994) contended that out of necessity, actors modify the rational decision making process in order to account for the challenges. Decision makers deal with these limitations in a variety of ways. Attention problems are simplified by focusing on short run problems and crises. Information problems, such as the lack of known alternatives, are addressed by considering only a few options, and by considering them sequentially rather than simultaneously.

Additionally, March (1994) described decision makers as responding to constraints to decision making in a variety of other ways including *satisficing*, choosing solutions that satisfactorily address the problem rather than maximizing it by finding the best possible solution. They employ *heuristics*, rules of thumb in which they identify patterns and substitute rules, rather than solving for discrete and unique problems (March, 1994). They often frame problems narrowly rather than broadly, or adopt frames from consultants and outsiders in order to focus attention and facilitate analysis. In a study of school districts, Freeman (1979) found that rational decisions could not be made during a period of decline (Hall, 1987). In short, decision makers are constrained by forces both internal and external to an organization and thus employ several strategies to short cut decisions, access information, and move organizations forward. Often those decision occur in the face of limited, incomplete, incorrect, or misinformation. These constraints on rationality provide a significantly limited and constrained decision -making environment.

Rule Following & the Logic of Appropriateness

Alternatively, rule following is grounded in a Logic of Appropriateness where decision makers are focused on recognition, identity, and rules in order to determine decision actions. March (1994) described decision makers as addressing three areas; recognition, identity and rules. Recognition questions address the kind of situation the organization faces. Identity questions center on the kind of person/organization involved in the decision. Rule-based approaches ask the question – what does an organization like this do in a situation such as this? (March, 1994). Rules-based decision making is

processed differently than rational decision making. The reasoning process is one of establishing identities and matching rules to recognized situations.

March (1994) explained that formal and informal rules serve several purposes in both organizational and personal life. Rules and identities provide a basis for decision making in every aspect of life and people perform the daily tasks based on a set of rules and expectations that society and organizations accept as part of their identity. In organizations, rules dictate and identify the appropriate decision makers and the factors that are considered in decision making. Rules control information flows and identify criteria for measuring performance and outcomes (March, 1994). According to March and Heath (1994), "roles and their associated rules coordinate and control organizational activities" (p.61). This last point is critically important in that it points to potential conflict between organizational leaders and organizational norms.

Decision makers and organizations, however, are far from predictable based on the mere fact that they are following established rules. March and Olsen (1976) established that decision makers employ processes of reasoned action which requires thought, judgement, imagination and care, and results in a rules-based behavior influenced by uncertainty and ambiguity. March (1994) also stated that when individuals and organization fulfill identities they follow rules or procedures that they see as appropriate to the situation in which they find themselves. Neither preferences nor expectations of future consequences enter directly into the determination. This premise is integral to this study of middle-tier liberal arts college decisions.

March and Heath (1994) also aligned rule following with theories of behavior. In society, rules and identities are so ubiquitous that they are often regarded as the context

for behavior rather than as unique phenomenon. Students of rule following tend to regard other decision making models as derivative of rule following. For instance, March and Heath (1994) argued that rationality is a rule that requires decisions to be made consequentially. "Rule following is fundamental and rationality is derivative" (March & Heath, 1994. p.59).

In summary, organizational decision making models span the logic of consequence to a logic of appropriateness; from rigid rule following to models that recycles historic choices to match existing challenges. Organizational decision making is a process that reflects organizational identity and is informed by organizational history, resources, and structure. Organizational decision making is a response that produces organizational adaptation and change which responds to environmental threats to survival, legitimacy, or viability.

Adaptation and Change: The Shifting Curriculum in a Dynamic Market

External threats emerge in a variety of forms for middle-tier liberal arts colleges. Today's higher education environment has seen the rise of on-line education, serious reductions in state and federal funding resulting in rising tuition, and what Veblen (1993) referred to as the vocationalization of higher education. Each of these environmental changes may affect this class of colleges, as well as the level of competition within higher education, differently but no less seriously.

The traditional liberal arts curriculum has come under scrutiny throughout the 20th century and proponents of the "liberal arts" have found it difficult to compete with the emerging "practical arts", like business, economics, and pre-professional programs that

present a more direct path to post-graduate professional options and the promise of higher earnings. Additionally, competition between colleges has blurred the lines between the types of education available at different kinds of institutions. In an effort to expand their reach and attract the broadest representation of students, large research universities created small honors colleges or programs in an attempt to replicate the residential small college environment on a large campus. Small colleges have added graduate programs to increase revenues without affecting the undergraduate experience.

These forays colleges forced students and families to compare regional colleges, research institutions, and liberal arts colleges as one multi-class of colleges as opposed to unique kinds of institutions that provide distinctly different experiences. In this way, liberal arts colleges have been forced to compete not only with similar institutions, but with a growing and incongruent set of competitors that provide neither simple comparison nor structural equivalency. In similar ways, the market has blurred the lines between engaging in an educational experience at a brick and mortar institution and earning a credential in a virtual environment.

Higher education in American society has developed into a dynamic market. Financial pressure, technological advances, changing faculty roles, public scrutiny, shifting demographics, and emerging competition from within and beyond American borders make change and adaptation an imperative for higher education as an industry, and colleges and universities as organizations interested in survival (Kezar & Eckel, 2002). Increased attention to the power of students and families as consumers and customers, to affect organizational behaviors, and the changing nature of an expansive

market-driven economy make the study of organizational decision making in higher education both timely and important.

Survival for the Standard Bearers

It is important to discuss the literature supporting the study of small liberal arts colleges and to address why middle-tier colleges are especially pertinent to this study of decision making in higher education. Research supporting both the historical significance and the practical outcomes associated with these colleges makes this an important group of colleges on which to focus research, as well as a subsection of higher education that remains vulnerable. Economic conditions throughout history have threatened small colleges. There has been deep concern over institutional survival and the prospect of losing some of these colleges (Breneman, 1994). Breneman's (1994) identified this class of institutions as important for several reasons, including the sense that liberal arts colleges are among the oldest institutions and represent the standard for American higher education, foregrounding the need for education for its own sake. Small liberal arts colleges are among the most effective across an important set of measures and provide vital diversity to the American system of higher education.

Research indicates that small liberal arts colleges are more effective than large universities at delivering on established essential student learning outcomes (Astin, 1977). Astin (1977) found that students at small liberal arts colleges are more engaged academically and socially. Proportionally, small colleges produce more students who earn PhD's in the sciences and across all fields and degree completion rates exceed those of larger public institutions (Breneman, 1994). Small liberal arts college graduates are

also highly valued in the workforce. In a survey of Fortune 500 chief executives, researchers found that industry executives prefer to hire liberal arts college graduates when recruiting for management and leadership positions (Association of American Colleges and Universities and Hart Research Associates, 2013). Chief executives site liberal arts college graduates' ability to think critically, tackle complex problems, and work effectively with others in diverse environments, as the keys to workforce and management success. Middle-tier liberal arts colleges, like their top tier counterparts, also promote deep interdisciplinary learning and engaged citizenship (Breneman, 1994). Liberal arts colleges are challenged to think strategically about their long-term survival, which spurred organizational adaptation that can significantly alter this class of colleges.

Summary

The review concludes with a summary exploration of canonical literature on organizational decision making and the outcomes of this important organizational behavior, which is at the center of Middle College study. In summary, the pertinent literature shared in this section established a foundation on which this study of decision making both rests and hopes to make contributions to relevant literature on this topic. Research on the effect of organization on environments supports the important impact that the environment has on institutions. Within the context of this study, research literature, including Breneman's (1994) canonical study of liberal arts colleges, supports the premise that societal, economic and market effects tied to the post-2008 economic environment can influence decision making at small liberal arts colleges. Additionally,

the literature for this study accounts for historical facts that contribute to an understanding of the organizational identity and saga which also informed decision making for Middle College. The major decision making models that are implicated in this study were represented here as an abbreviated summary, especially focused on the canonical work of March (1994) whom has contributed significantly to this area of literature. Finally, the review situated the collected understanding of the effects of organizations on environments, vulnerability, uncertainty, and decision making and presented it within a higher education context to help facilitate the union of literature on decision making from a variety of sources.

Chapter III

Research Methodology

The Carnegie Classification of Institutions of Higher Education identifies doctoral/research institutions as dominant institutions, both public and private, and the focus of research in the field of higher education (Carnegie Foundation, 2000). Although the federal government's interest in increasing access to higher education has focused on the expanding role of colleges in the associate's college classification, there is limited research conducted on the small, liberal arts colleges. Consequently, little direct insight is given into these unique organizational cultures, their behaviors, decision making processes, or their development over time. This proposed study contributed to the literature on small, liberal arts colleges and shed greater light on the effects of an increasingly competitive, higher education market on the decision making processes within this subset of institutions.

The following section (1) identifies the aims of the study, (2) establishes a definition of the small, "middle-tier," liberal arts college, and (3) describes the methodological approaches and theories utilized to understand decision making and strategic choice at Middle College. An outline of the primary and secondary research questions and a description of the research design are also provided.

Aims of the Study

The aims of this study were: (1) to describe the uniquely competitive market (environmental) conditions for middle-tier liberal arts colleges; (2) to provide an in depth description of the strategy development and organizational decision making processes

employed by a representative middle-tier, liberal arts colleges when choosing to implement an undergraduate business major; (3) to collect and make meaning of academic leaders' perspectives, beliefs, and opinions about the effects of the external environment on shaping strategy and decision making at one, representative, middle-tier liberal arts college; and (4) to outline and share potential implications of these findings on the future of middle-tier, liberal arts colleges.

<div align="center">Research Questions</div>

This study rested on the established premise that external environments affect organizational structures and decision making (March & Heath, 1994). At the broadest level, this study attempted to answer the question, "How does a competitive higher education market environment influence strategy development and decision making at middle-tier, liberal arts colleges?" Within a higher education context, it also explored the possibility that a subset of liberal arts colleges exists within an especially competitive, higher education market environment and, as a result, that decision making is uniquely affected within this field of organizations.

Directly accessing this question required the identification of two primary variables, which both locate the specific context and identify the discrete decision. Middle College provided the appropriate college context, and its choice to implement an undergraduate business major served as the discrete decision to be investigated. The primary question at the center of this study is: How did Middle College decide to adopt an undergraduate business major in 2013? Questions centering on environmental and organizational context, strategy formation, decision-making, and outcomes served to

further guide the investigation of this specific strategic, decision making process and framed the collection of data including the interview protocol.

- What environmental conditions (locally or nationally) contributed to the development of a strategy that resulted in this decision?

- How was the broad institutional strategy formulated?

- How would one describe the faculty decision making process, including decision rules and key players, which resulted in the adoption of the business major?

- What changes to the organization resulted from this decision making process?

Theoretical Framework

Institutional Theory and Legitimacy

Institutional theory provided the framework and three essential tools to engage in this study. Tolbert, David and Sine (2011) identified institutional theory's key premise as the belief that, "normative expectations and socially shared assumptions often drive organizational decision making and practice" (p. 1332). Meyer and Rowan (1977) and DiMaggio and Powell (1983) contended that institutional theory highlights the vital relationship that exists between organizations, describes the influence of external environments, and helps explain how these combine to affect organizational behavior. DiMaggio and Powell (1983) describe institutional theory in the theory of institutional isomorphism, which states that vulnerable organizations will exhibit isomorphic tendencies over time in order to gain legitimacy and ensure survival. Powell and DiMaggio (1991) described three kinds of isomorphic pressures including mimetic, coercive, and normative. Similarly, Aurini (2006) aligned the source with the type of the

pressure and described the cumulative force of isomorphic pressure from other organizations as mimetic, from professionals as normative, and from governmental agencies as coercive. Institutional theory particularly focused on environmental forces that encourage organizational conformity (Aurini, 2006).

Institutional theory is most often used to explain organizational stability. Rusch and Wilber (2007) explain that organizations and individual actors are enmeshed in a system of rules, beliefs, norms, and values often of their own making. Early studies of institutional theory examined how and why people worked to reproduce similar organizations and found that organizational predictability was a societal need. Organizations who conformed received support and increased legitimacy helping to ensure their survival (Scott & Meyer, 1991; Rusch & Wilber, 2007).

Legitimacy is incredibly important for colleges and universities and is established through institutional forms, such as accrediting bodies for institutions or disciplines, Carnegie Classifications, or industry and building standards. Professional associations often establish standards for their bodies. Legitimacy is established from conforming to recurring and accepted activities, practices, and predictable outcomes that adhere to an established and accepted standard (Rusch & Wilber, 2007). Organizations that adhere to established scripts that lead to legitimacy are described as isomorphic. Rusch and Wilber (2007) describe institutional theory as resulting "in social reproduction of environments that recreate the same organizations over time" (p. 303).

Institutional theory predicts that alternative forms will face strong isomorphic pressures to change in order to increase legitimacy and ensure survival. Organizations often incorporate environmental elements into the organization as legitimation projects in

order to garner legitimacy (Meyer & Rowan, 1977). Meyer and Rowan (1977) describe legitimation projects as requiring myth-making, coupling, and the logic of confidence, which are central to institutional theory.

Research Design and Methodology

Single Case Study

This study was a revelatory, single-case study that described the decision making process involved in choosing to introduce and implement an undergraduate business major at a traditional liberal arts college. This study attempted to discover the effects of a competitive market environment on the strategic choice and decision making processes, as well as described the under-studied context in which it occurred.

A case study approach served as an appropriate methodology for this investigation of strategic choice and decision making because it helped to describe a contemporary phenomenon in depth and within an existing context (Yin, 2009). Yin (2009) described decisions and, by extension, decision-making, as a primary focus of case studies. Case studies are uniquely useful in illuminating a decision, explaining why it was taken and how it was implemented, and describing its results (Yin, 2009). The nature of this process is more accurately accessed through a qualitative approach to the inquiry, in which the experience of academic leaders involved could give an account of events, conversations, context, and important relationships. Semi-structured interviews were used to provide the context necessary to better understand the undocumented influences and relevant perspectives on this decision making process.

The Middle College case is primarily a revelatory, single-case study, rather than a comparative study, for several reasons. In many ways, the study served as a descriptive, representative case as well. Yin (2009) described a representative case study as one in which one captures a typical or common situation, which provides information on the average person's experience. The Middle College case is representative in that the decision to add an academic program is made throughout higher education and can be observed at many institutions. However, the unique access to decision-makers at each level at one institution also provided the opportunity to design this study as a revelatory case study. Yin (2009) described a revelatory case study as one in which one is able to observe a phenomenon previously inaccessible to other researchers. Specifically, this study provided insight into the decision making process at three different levels of one institution, including the Board of Trustees and cabinet level, faculty in governance and leadership roles, and the committee charged with building and proposing the major and its component parts. Shared governance is a fundamental aspect of leadership and decision making at colleges and universities, and it is vital to the understanding of academic decision making to be able to trace a decision through each channel of the shared governance process. Access to each level of the institution is rare and provided a unique opportunity to investigate this phenomenon. It was important to determine whether environmental conditions affected strategic choice or decision making at each level of the shared decision making model. This revelatory study provided descriptive information and depth previously not available to scholars that have not had access to multiple branches of the decision making tree at a single institution.

Comparative Work on Liberal Arts Colleges

There are very few studies on liberal arts colleges and this research served to fill an important void in the existing scholarship. Two canonical works, including Breneman's (1994) *Liberal arts colleges: Thriving, Surviving and Endangered*, a study of twelve Liberal arts colleges and Clark's (1971) *The Distinctive College*, a case study of three selective liberal arts colleges informed this study. Breneman's (1994) study is relevant in that it sheds light on threats to the survival of liberal arts colleges, characterized as thriving, surviving, or endangered. However, it differs in its use of a quantitative approach, focused on admissions, enrollment, and net tuition revenue to determine an institution's viability. Breneman's (1994) approach is a more in depth look at the importance of admission, enrollment, and retention as the revenue engine for tuition-dependent liberal arts colleges, which often maximize net tuition revenue to ensure survival.

Clark's (1971) essential study of three liberal arts colleges was primarily descriptive and focused on the value and role of an organizational saga on the formation of a distinctive college reputation. Organizational decision-making, as one of the building blocks of a compelling saga, was a central concept in Clark's work. However, the study did not focus on the examination of the decision making process but, rather, on the influence of individual actors, charismatic leaders and historical events that helped create or add to the institutional saga. Additionally, Clark's (1971) study highlighted institutional responses to crisis that informed and impacted institutional saga. The saga refers to the institutional story, where historical accounts of important actors, historical events, and organizational responses to institutional crisis are informed. According to

Clark (1971), the saga emerges from institutional history, reflects values, and characterizes the organizational identity and reputation, which each influence decision making at liberal arts colleges.

Breneman's (1994), Clark's (1971) and Kirp's (2003) works advance the importance of history and culture, competition, marketization, and survival. This work represents the foundation for this study of decision making at middle-tier liberal arts colleges. Contemporary debate and research in this area focused primarily on cost, return on investment, and alternative forms of higher education. Alternatively, significant decision making research centers on the concept of choice, especially as it applies to the college selection process.

Liberal Arts Colleges, the Middle-tier and the Role of Rankings

Early Carnegie Classification for undergraduate colleges - liberal arts defined these institutions, "as primarily undergraduate colleges with major emphasis on baccalaureate programs. These institutions award half of their degrees in the liberal arts fields" (Carnegie Foundation, 2000, p.3). The liberal arts, as defined by the *Classification of Instructional Programs* (CIP), are comprised of the following categories: "English language and literature/letters, foreign languages and literatures, biological sciences/life sciences, psychology, social sciences and history, visual and performing arts area, ethnic and cultural studies, liberal arts and sciences, general studies, and humanities, and multi/interdisciplinary studies" (Carnegie, 2000, p. 3). These definitions of liberal arts colleges in America today can be described as accurate, yet incomplete. The changing landscape for liberal arts colleges include both schools that

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adhere strongly to this characterization, as well as those that deviate in a variety of ways. In a series of reorganization and classification efforts, today's Carnegie Classifications no longer reflect a liberal arts college designation.

Today's classification would use a series of variables to determine the classifications and groupings that lend themselves to useful groupings and comparisons. Current classification criteria include: (1) basic classification, (2) undergraduate instructional program, (3) graduate instructional program, (3) enrollment profile, (4) undergraduate profile, (5) size and setting, (6) and community engagement. Table 1 reflects the new Carnegie Foundation classifications and categories for small, private, liberal arts colleges.

Table 1: *Carnegie Classifications for Liberal Arts Colleges*

Classification	Category
Basic	Baccalaureate Colleges: Arts & Sciences Focus
Undergraduate Instructional Program	Arts & sciences focus, no graduate coexistence
Graduate Instructional Program	(Not classified)
Enrollment Profile	Exclusively undergraduate four-year
Undergraduate Profile	4-year, full-time, more selective, lower transfer-in
Size and Setting	4-year, small, highly residential

Breneman (1994) identified a trend among liberal arts colleges to gradually begin to offer courses and confer a larger number of degrees in professional fields, such as business and nursing. Breneman (1994) considered this a "threat to the mission and

intellectual coherence of liberal arts colleges" and worried that liberal arts colleges could cease to exist (Baker, Baldwin & Makker, 2012, p. 1). For the purposes of this study, Breneman's (1994) definition of Liberal Arts College I institutions, which he termed "true" liberal arts colleges, were used to identify liberal arts colleges as a field of institutions. Liberal arts college I institutions align with Carnegie's basic classification- Baccalaureate Colleges: Arts & Sciences Focus - awarding more than half their undergraduate degrees in the arts and science. This definition is also a commonly understood and accepted definition among academic leaders in this study of Middle College decision-making.

Defining the Middle-Tier

While Breneman's (1994) definition provided a useful definition for "true" liberal arts colleges, it does not speak to the tiered structure within which colleges and universities exist and compete in the U.S. higher education market. One influential marker of position, placement, and competitiveness in the U.S. market is national, published, reputational rankings of college and universities, as well as individual academic programs (Bastedo, 2010). Of the myriad rankings published annually, the *U.S. News and World Report* Rankings of Colleges and Universities has demonstrated to have the greatest impact on college choice among students and families in the U.S (Bastedo, 2010).

The *U.S. News and World Report*'s rankings of American colleges and universities serves as a primary resource for college bound students interested in attending college. This publication also exhibits outsized influence in many high school students' perception, application to, and selection of a college (Bastedo, 2010). Liberal

Arts Colleges emphasize undergraduate education while awarding at least half of their

degrees in the Liberal arts fields of study (Brenneman, 1994)

Discussion of liberal arts college rankings have traditionally divided the nation's

top 100 liberal arts colleges in half, distinguishing the top 50 from the second 50.

Groupings of any size suggest a similarity or congruence of experience within groups.

However, analysis of the *U.S. News* data revealed an exceedingly broad range among

several important variables within both colleges ranked number one thru #50 and those

ranked #51 thru #100. Dividing the colleges ranked one to 100 into thirds results in three

evenly sized categories created a top tier, middle-tier, and lower tier. These tiers

constitute more coherent subsets of institutions, with less range across important

variables that help shape the institutional character and profile. These smaller ranges

separate institutions into more similar groups that provide for stronger comparison and

analysis across relevant variables.

For the purposes of this study, both Carnegie classifications and Breneman's

(1994) *Liberal arts College I* definition served as the basis for classifying liberal arts

colleges, and the 2012 *U.S. News* rankings served to identify the subset which identifies

the middle-tier. Middle-tier liberal arts colleges for the purposes of this study made up

the middle third of institutions ranked one thru 100 in the 2012 *U.S. News and World*

Report ranking of national liberal arts colleges.

Composing the Data Set

U.S. News' ranking methodology and scoring produces a system in which several

schools may share a particular ranking, which results in more than 100 colleges ranked

between one and 100. For instance, three colleges share the number four ranking and three colleges share the number seven ranking. Additionally, *U.S. News* classifies the four military academies as liberal arts colleges. Although the military academies meet the definition of liberal colleges by Carnegie (2000) standards, they were removed from this analysis due to the lack of structural equivalency with traditional liberal arts colleges. Specifically, endowments, first year retention, size, and competitive positioning of military academies are incongruent with that of traditional liberal arts colleges. The result is a comparably sized subset of institutions numbering approximately 35 in each tier. Top tier institutions are ranked one thru 37. Middle-tier institutions are ranked 38 thru 70. Lower tier institutions are ranked 70 thru 100. For the purposes of this study, middle-tier liberal arts colleges are ranked from 38 thru 70 in the 2012 published rankings of national liberal arts colleges. Dividing institutions into these three discrete groupings created more salient fields that share structural equivalency based on five important variables including: (1) enrollment size, (2) wealth as measured by endowment, (3) reputation and selectivity as measured by acceptance rate, (4) institutional effectiveness as measured by first year retention rate, and (5) reputation as measured by middle-tier ranking in *U.S. News* 2014 publication. Table 2 depicts each tier's average acceptance rate, first year retention rate, six-year graduation rate, and endowment value. These data were compiled for the purposes of comparison and to demonstrate the vast differences within important factor that measure both effectiveness, reputation, and wealth.

Table 2: *Comparison Data for Three Tiers*

Tier	Rank	Accept	Ret 1-2yr	6yr Grad	Average Endowment	Endowment Comparison
Top	1-37	25.8%	95.0%	90.3%	793,070,025	2.6 x greater than middle-tier
Middle	38-70	55.2%	90.1%	81.2%	303,086,031	2 x greater than lower-tier
Lower	71-100	67.2%	86.1%	74.4%	148,714,747	5.3 x lower than top-tier

Top tier colleges ranked number one thru 37 have an average acceptance rate of 25%, first year retention rate of 94%, and an average endowment of over $793 million. Middle-tier liberal arts colleges ranked 38 – 65 have an average acceptance rate of 55%, first year retention rate of 89%, and an average endowment of $303 million. Top-tier institutions are twice as selective as measured by admissions acceptance rates, have two times the endowment wealth and graduate a greater proportion of the student body within 6 years. Each of these measures is a significant contributor the *U.S. News* rankings and, taken together, are highly regarded as measures of institutional effectiveness. However, these data represent drastically different realities with regard to reputation, institutional effectiveness, and financial strength. These distinctly different realities tend to represent the difference between stability and vulnerability and affect an institutions ability to borrow money, plan for growth, or implement changes that may positively affect development. Evaluating colleges ranked from number one thru 50 within one category would group a set of institutions with drastically different profiles into an incongruent, single tier of institutions. The amalgamation of these organizations clouds comparison and conflates the experience of colleges with distinctly different institutional realities. For these reasons, dividing and organizing the group into thirds creates three structurally

consistent fields of organizations. Selecting cases for this study from within these groupings was methodologically necessary and presents another lens through which to view the one hundred, most highly ranked, national liberal arts college group.

Selecting the Case

Middle College is a representative case selected from a subset of 35 middle-tier liberal arts colleges ranked between 38 and 70 on the U.S. News and World Report's *2012 Ranking of National Liberal Arts Colleges*. Seawright and Gerring (2008) stated that a representative case should exhibit a consistent cross-case relationship. Specifically, this study focused on liberal arts college I institutions, as defined by Breneman's (1994), that (1) enroll less than 3000 students, (2) hold endowments valued under $250 million, (3) accept more than 50% of applicants, (4) retain less than 90% of first year students, (5) and are ranked in the middle-tier in the 2012 *U.S. News Ranking of National Liberal Arts Colleges*. Each of the variables contributed significantly to an institution's ranking and affected reputation in the higher education market. Table 3 below details the selection criteria.

Table 3: *Selection Criteria*

U.S. News rank	Total enrollment	Endowment	Acceptance Rate	1st Yr Retention
135-70	< 3000	< 250M	> 50%	< 90%

Table four below depicts the ranges for the 12 colleges across the identified variables. Middle College is among the colleges to meet all of the established criteria, including the addition of an undergraduate business major.

Table 4: *Ranges for 12 Middle-Tier Colleges*

U.S. News ranking	Enrollment	Endowment	Accept. Rate	1st Yr Retention
35-70	1359-2933	116M – 232M	35.9%-76.2%	87%-92%

Of the 35 schools ranked within the middle-tier in 2014, twelve (12) colleges had both enrollment of less than 3000 students and endowments valued at less than $250,000,000. Institutional wealth, as measured by endowment within this range, in combination with the remaining variables, identifies these as tuition dependent institutions that remain vulnerable in difficult economic times (Breneman, 1994). The percentage of the institutional operating budget that is generated from net tuition revenue measures tuition dependency. Except for the liberal arts colleges that benefit from endowments that measure in the billions, the overwhelming majority of liberal arts colleges reflect varying levels of tuition dependency. Endowment values in this range often indicate significant tuition-dependency and, therefore, necessitate a recruiting and enrollment process that represents a diverse demographic and economic profile among new students. The incoming class must balance academic preparedness and financial need – a stressor on financial aid – with the diversity, size, and strength of the admitted class. Large endowments and annual gifts strengthen an institution's ability to yield the best class, help supports more generous financial aid packages that entice students, while

making education more affordable and providing for improvements to the campus that help attract more students (Kirp, 2003). Often, there is a struggle to yield a first-year class of the desired size and demographic make-up for a variety of reasons, including what Kirp (2003) referred to as the competitive costs of competition. Breneman (1994) found that middle-tier liberal arts colleges depend more heavily on net tuition revenue, and are therefore more vulnerable in difficult economic times. This is particularly relevant in a post-2008 economic downturn when large numbers of middle-class families lacked the ability to finance a private, liberal arts college education.

<div align="center">Sources of Data</div>

Yin (2009) identified six sources of evidence in conducting a case study, including documentation, archival records, interviews, direct observation, participant observation, and physical artifacts. This case study relied on multiple sources of information, including available documents, in the form of agendas, minutes, committee memberships, and schedules for meetings of the full faculty, committee chairpersons, business major faculty coordinating committee, and President's Cabinet. Data collected through semi-structured interviews with ten (10) academic leaders involved with the decision making processes served as the primary source of information for this project.

The Participants

The study participants included ten academic leaders directly involved in the decision to select and implement a business major at Middle College. The participant group consisted of six faculty leaders and four non-faculty administrative leaders.

Throughout the study, the full complement of participants was referred to as academic leaders or senior academic leaders. Non-faculty administrators were referred to as administrative leaders or senior administrative leaders. Members of the teaching faculty were referred to as faculty leaders or senior faculty leaders. Both leadership groups were described in detail in the following section.

Administrative leaders included cabinet level leaders or members of the Board of Trustees of Middle College involved in the decision making processes that resulted in the adoption an undergraduate business major at Middle College. These decision making processes included the development of the Middle College Strategic Plan from which the business major emerged as the primary curricular option, as well as the faculty decision making process, which resulted in the successful faculty vote to adopt the business major in the spring of 2013. The full complement of cabinet-level leaders at the Middle College included administrative staff members, each responsible for oversight of one of the following areas: Faculty/Curriculum, Enrollment, Finance, Communications, Fundraising, and Student Life.

The Middle College Board of Trustees is comprised of approximately thirty (30) individuals including academics, business and community leaders, current students, and alumni of the college. The Executive Committee of the Board is a leadership subset comprised of four Board members, including the Chairperson of the Board. The Executive Committee maintains a direct relationship and regular contact with the President and the cabinet, meets regularly with the president and other senior administrative leaders, including the vice president for finance and administration, who also serves as an officer of the Board and holds the position of Treasurer.

At Middle College, select administrators hold faculty status and retain voting rights along with teaching faculty. Some teaching faculty also hold administrative appointments. The faculty leaders or senior faculty leaders group in this study are comprised exclusively of teaching faculty who did not hold administrative positions in the 2012-2013 academic year, and refers specifically to teaching faculty who were involved in the decision to adopt the business major. They were:

- members of the Ad hoc Committee on the Business Major charged with exploring the option to pursue a business major;

- members of the Middle College Curricular Policy Committee (CPC) who were responsible for proposing and coordinating curricular changes. The committee was comprised of a representative group of both junior and senior faculty members, students, the college's President, as well as the Provost/Dean of the Faculty;

- members of the faculty of the economics department in which the business major is housed;

- tenured faculty members active in the business major discussions and decision.

For the purposes of preserving confidentiality, whenever possible, administrative perspectives, sentiments and beliefs were shared in the aggregate. For instance, when sharing perspectives from administrative leaders, the data reflected the following language: *"Administrative leaders suggested…"* When attribution of comments and perspectives were necessary, individual participants were referred to by their coded names without adding identifying details that could unintentionally threaten anonymity.

Selection of Participants

All of the participants were identified in conversation with college administrators who helped identify both faculty and administrative leaders. The faculty on committees were selected based both on positional leadership and the role they may have played in the process based on discussion with college administrators. Faculty on the Ad hoc Committee on the Business Major were selected on a rolling basis and dictated by the response to the initial Letter of Invitation to Participate, which was emailed to each participant. The interviews took place in July of 2017, and the timing of the study presented a limitation on the number of available participants. Participants who were traveling out of the U.S. and could not participate in an in-person interview were not selected for the study. Ten (10) participants who were available within the identified two-week interview period were selected. Table 5 represents a full roster of participants using coded names and affiliation to the college.

Table 5: *Participants Coded Names and Affiliations*

#	Coded Name	Role/Leader group
1	Mike Brady	Academic
2	Carol Brady	Administrative
3	Greg Brady	Academic
4	Peter Brady	Administrative
5	Bobby Brady	Academic
6	Marsha Brady	Administrative
7	Jan Brady	Academic
8	Cindy Brady	Academic
9	Alice Nelson	Academic
10	Sam Franklin	Administrative

The Interviews

The interviews took place over a ten-day period in July of 2017. The interview participant selected and were interviewed in a variety of places. Several interviews took place in faculty offices at their respective institutions, in their homes, or at reserved locations at Middle College. Each participant received an informed consent document via email, which was reviewed and signed prior to beginning the interview. Interviews varied from 60 - 120 minutes and were audio recorded with the permission of the participant. Semi-structured interviews captured academic leaders' views on each of the four primary concepts identified in the study. Participants began with sharing biographical information, including information about their leadership roles and experiences at the college. The themes of the interview focused on the (1) environmental and organizational context post-2008 downturn at Middle College, (2) strategy development for the Middle College Strategic Response Plan, (3) the decision making process that resulted in the faculty adoption of the major, and (4) the perceived outcomes and changes that stemmed from this set of decisions.

The framework supported the investigation of the decision making process that resulted in the adoption of the major. During the first interview, however, it was apparent that two, distinct decision making processes existed within the study. The first decision making process pertained to the development of the Strategic Response Plan. The second was focused on the faculty process that resulted in an affirmative vote of the major by the Middle College faculty. Administrative leaders were able to speak with specificity to the decision making process that resulted in the development of the Strategic Response Plan, which included the business major as a potential major, while faculty leaders were able to

reconstruct the decision making process tied to the successful faculty vote. This realization did not require a change to the interview protocol and, thus, did not alter the direction of the study in any significant way.

The concepts which grounded the study also frame the four-part interview. Part one of the interview focused on how the participants characterize and define the institutional identity and the environmental factors that impact vulnerability. Part two focused on the formulation of the institutional strategy. Part three focused on how participants experience and describe decision making moment. Part four focused on the outcome of the decision and any resulting changes to the institution. Each participant had an opportunity to add additional comments and information that they believed should be a part of the record as it pertained to this study on decision making at Middle College. A full copy of the interview protocol is included in Appendix B.

Documents

In addition to audio recorded and transcribed interviews, there were several documents that provided context for the decision making processes that resulted in a new business major at Middle College. Analysis of these documents served two purposes. First, the documents contained information that both codified and confirmed decision moments within process. At times, some of the published documents provided greater detail than information that was obtained during interviews. Documents provided details that informed the decision making process at the time, and others reflected the recorded history of the process and interactions. Document analysis also served as an important

form of triangulation, which helped confirm the reliability of some information and provided a sense of internal validity (Ayers, Kavanaugh & Knafl, 2003).

Twenty-nine (29) primary documents comprised the list of approximately 150 pages of data that was coded and analyzed as part of this study. Additionally, faculty leaders provided a series of documents including emails and departmental documents. Each of these documents was reviewed. Selected documents, deemed relevant to the study, were coded according to the established coding structure. The master list of documents is included in Appendix C, along with a date and description of the document.

Analysis of the Data

One of the strengths of qualitative research is its ability to provide insight and depth, and to illuminate specific aspects of human experience within the context of studied phenomenon (Ayres, Kavanaugh & Knafl, 2003). Yin (2009) described data analysis in qualitative case studies as consisting of "examining, categorizing, tabulating testing or otherwise recombining evidence to draw empirically based conclusions" (p.126). The goal of this analysis was to build a qualitative case description that helps to depict phenomenon within the context and to adhere to theoretical propositions in order to determine whether the case comports with the proposed theory (Yin, 2009).

Analytic Strategy

This study is a qualitative, case study that relies primarily on ten (10) interviews with academic leaders and analysis of 29 primary documents or sets of documents. Four important areas framed the interviews including organizational context, impact of the

environment, decision making process, the outcomes of the decision and their impact on the institution. The primary aim was to build both a unique case description that explained how Middle College adopted an undergraduate business major in 2013, to determine whether their decision making process aligned or diverged from the theoretical propositions associated with this study, and to determine how the two identified processes compare to one another, based on the elements of decision making identified in each. Often depending on the level of direct involvement with the process, audio recordings ranged from 60 minutes to 120 minutes, and documents served the unique purpose of providing a method to track internal validity.

The analytic strategy for this study patterned, in part, after Ayres, Kavanaugh and Knafl's (2003) description of within- and across-case approaches to qualitative data analysis. Ayres et al (2003) described a three-phased, content analysis process that includes a first-phase immersion in the interview data and open coding, identifying and coding significant statements, comparing individual statements from all respondents, and identifying commonalities across the full array of interviews (Ayres et al., 2003). Miles and Huberman (1994) suggested arranging information into chronologies to manipulate data and uncover relevant patterns or themes, which grounded these interviews in both time and a series of decision events that participants recalled and reconstructed. Chronologies combined with an analysis of the elements of decision making served as the analytical tool that helped to describe and compare the decision making processes. The elements of decision making include: (1) identifying the problem, (2) understanding the problem, (3) describing the decision making process including rules, (4) identifying actors and (5) alternatives, (6) evaluating alternatives, as well as, (7) post-decision

outcomes. Basic content analysis was used to code the relevant documents available in this study to identify concepts and themes, as well as to provide a level of triangulation of the data. The final step entailed applying the themes to the data set in order to establish a hypothesis or findings (Anfara, Brown and Mangione, 2002). The following section will describe each phase of the analytic process employed throughout the study.

Coding is an iterative process that requires the researcher to study the data and identify relevant themes that align or diverge from the established theory (Yin, 2009). Phase one of the analysis included listening to each interview and adding thoughts and perspective to a set of field notes taken during the interviews. When the interview schedule provided such analysis, this was completed after each interview and normally before conducting the following interview. Once all interviews were complete, content analysis guided the review of each transcript. Transcript length ranged between thirty and sixty pages. Coding the transcript at this level provided immersion within each participant's account of the decision making processes. Thirty-three (33) concepts were identified through an iterative, open coding of interviews and documents, and three context codes were assigned based on the structure of the interviews. Responses to each question reflected one of three context codes, including an organizational context, environment context, and decision making context. These were included in the analysis and reporting of the data, which reflects information within the context in which it was shared. Appendix A provides a full list all concepts and context codes.

Phase two included using content analysis software called Nvivo to organize concepts, which included words and phrases, and group them into some salient themes. This required the organization of independent concepts, as well groups of words or

phrases that reflected commonalities across all interviews. Documents relevant to the study were also coded within the software to analyze a full set of sources from one location. These context codes helped the researcher understand under which context a particular code was presented. Many concepts related only to the decision making context. However, several codes crossed context or were represented in all three contexts.

Phase two also included coding the data based on the elements of decision making which describe a standard decision making process. This required an alignment of current codes with the elements of decision making and a round of additional coding to identify, within the decision making portion of each interview, what decision making elements were met, and whether the data reflected how the process unfolded. The elements of decision making include identifying and understanding the problem, identifying the decision making rules and process, primary actors, alternatives being considered, establishing evaluation criteria for the choice, and determining outcomes. Given the structure of the interview protocol and the chronological approach to investigation, each of these elements were discovered in the data within two sections. With regard to the decision making process related to the Strategic Response Plan, section two, questions one through 11 addressed this decision making process directly. The responses and data on the elements of decision making regarding the faculty process for approving and adopting the major by faculty vote are found in section three – the Decision making Process – questions one (1) through eleven (11).

The final phase included aligning themes to the research questions and the primary focus of the study to determine whether, and if, the themes spoke directly to the study's primary question: How did Middle College adopt a business major in the 2013?

Phase three analysis addressed how academic leaders described the decision making process. The final phase responded specifically to how the three themes--identity and values, vulnerability and uncertainty, and dependency on rules and routines--speak to the primary focus of the study. The analysis focused on identifying meaningful patterns that emerge in the process of building an explanation for how strategy develops and how decisions get made at middle-tier liberal arts colleges. Both faculty and administrative perspectives were considered and evaluated in an effort to establish a thorough view of this decision making processes at Middle College.

Validity and Credibility

Internal validity and credibility was established through triangulation of data using the documents and emails that were relevant to the study, as well as from comparing data across multiple participants (Anfara, Brown & Mangione, 2002). For instance, planning documents, prepared statements, and the proposal for the business major each reflected some of the major themes identified. Specifically, email communication, published documents, and drafts of talking points prepared for open meetings confirmed the themes of identity, as well as vulnerability and uncertainty. Specific data on these documents had not been shared explicitly in order to protect both the identity of the institution and the academic leaders involved in the decision. Information shared in those communications had been referenced and de-identified, but not quoted specifically, to obviate any potential institutional risk.

Credibility was established in the process through member checking and peer debriefing within each phase of the process. Given the small size of the interview group,

member checking was possible with only one academic leader. Member checking including sharing a list of all concepts and context codes, as well as a discussion of each theme that emerged from study within each phase of analysis. Member checking was useful in establishing additional questions with which to interrogate the data and brought a sense of deeper clarity of the experience.

Transferability

Although the specific circumstances of the 2008 downturn and its effect on higher education may not be replicable, Lincoln and Guba (1985) suggested that providing sufficient detail in describing a phenomenon, through thick descriptions, may help academic leaders determine whether the findings are transferable to other institutions and academic leaders. The findings from this study can provide valuable learning and practical insights into decision making for academic leaders at other institutions. From a general perspective, the findings speak to the identification of enduring values, innovation, and adaptation to help ensure survival and can provide academic leaders with perspectives that help inform future decision making or management of crisis in the field.

Anonymity

All interviews were audio recorded and transcribed through a third-party provider called Rev.com. The data, which included one audio file and one full transcript, were kept on a secure computer and backed up to a personal hard drive to ensure the security of the data and the confidentiality of participants. Participants' names were coded and kept in a separate file from transcripts data. Audio files will be destroyed by

October 1, 2017 and transcripts will be kept in a secure drive for no longer than one year or until it is determined that there is no additional proposed use for this data. Additionally, unless it is deemed necessary to use the coded name, all information will be shared in the aggregate.

<div align="center">Role of the Researcher</div>

Throughout my 20-year career in higher education, I have had the benefit of working at three very strong institutions. They are noteworthy and altogether different liberal arts colleges with dedicated communities of people, committed to the core values of a liberal education. I believe in the transformational effect that a small college can have on a student because I have been able to see it and contribute to it. Roles in both student affairs and academic affairs, with faculty at various levels, with presidents, provosts and boards of trustees, taught me to love college work and to understand it at a deep level. My bias toward the liberal arts college is evident in my commitment to this project and the interest in the future of this unique field of institutions.

My affinity toward Middle College grew out of more than a decade-long tenure at the institution. Bogdan and Biklen (1998) wrote about approaches to preserving integrity regarding the multiple roles of the researcher in the collection and reporting of qualitative research and as a practitioner, and a former administrator at Middle College, I gave considerable thought to my role in this process, especially as the framework for the study unfolded. What brought me to this particular project was my early graduate work, specifically my courses in organizational decision-making, as well as studies on organizational culture. I began my graduate studies in 2010 just as the effects of the 2008 downturn wrought havoc on higher education, which became an incredible learning

period for me as a student and a practitioner. Those courses and the events of the time

period clarified my interest in organizational decision-making, which helped me to begin

to examine those topics at my own institution.

I am uniquely tied to Middle College and maintain strong relationships with

colleagues and friends at the institution. Former presidents and provosts, unaffiliated

with this study, have served as mentors and advisors throughout my career. Indeed, the

relationships that I was able to build at Middle College provided the unique access to

academic leaders at several levels of the institution, which is a quality that makes this

study of decision making at middle-tier Liberal Arts Colleges a revelatory study. Though

I held several positions in varying departments at Middle College, my involvement with

the business major decision was negligible. Throughout the period that this decision was

discussed, I was not a member of any decision making bodies (faculty or administrative)

that had direct or indirect influence on this decision. I was able to observe and participate

in open discussions at faculty meetings and received the public information that members

of the community would have also received at events, meetings, as well as through email

and print material. Throughout that period at Middle College, I was engaged in the

delivery of student services and, therefore, not tied to the curricular decisions of the

college, however, my own biases in the process given my knowledge surely emerged

from my own historical knowledge of departments, individual actors, and the nature of

administrative work at the College. Yin (2009) notes that investigators are at risk of

substantiate preconceived positions because they understand so well the issues at hand.

In order to neutralize my bias, I employed three strategies including analyzing

organizational documents that addressed the decision making process, identifying a

diverse group of academic leaders that experienced the process from different vantage points, and developing an interview protocol that provided for open-ended questions. The documentation collected consisted of more than 130 pages of information related to the decision making process and was selected by both administrators and faculty members, including emails and correspondence which related to their own relationship to the process and provided diverse perspectives on these decisions. Participants in the study spanned faculty, administrators, and members of the board of trustees whom served distinctly different roles in the process and represented divergent perspectives. In developing the protocol, I worked with my committee to determine the limits of framing and context that might balance the risk of providing too much direction.

It is vital in any research process to locate oneself in the research and, although I was not involved in this particular decision, my own history with innovation at the college was an eye opening and grounding experience for me early in my career. As a new professional at the college, I was privy to many conversations, planning, and eventual implementation of the new curriculum that was created and adopted in the early 2000s. That process initiated my relationship with faculty members at the college and helped me to understand academic affairs, academic department politics, and the elements that remained important to the life and experience of faculty members at the college. That experience introduced me to curricular design and implementation, as well as to the inner workings of a faculty culture that exhibited a unique closeness, which emerged as an important aspect of this study as well. My fondness and respect for the institution, its faculty and its staff made this project particularly important and solidified my special investment in preserving anonymity, and helped to ensure that the information

disclosed in this study would do no harm to the institution. The selection of the business

major was intentional and well thought out at the outset of this study as I attempted to

employ strategies that would help avoid or neutralize my own bias in the process.

Chapter IV

Analysis of the Data

Framework of Institutional Theory

Institutional theory is broadly concerned with organizational behavior and the environmental and organizational contexts within which organizations exist. At its core, the theory is focused on identity and culture, vulnerability and legitimacy, decision making and adaptation within organizations. DiMaggio and Powell note that organizations embody their history, culture, and values in organizational behavior. They compete with one another and seek legitimacy, and they contend with environmental threats that make them vulnerable. DiMaggio and Powell (1983) primarily contend that when faced with vulnerability and uncertainty, organizations in existing fields tend to concede to isomorphic pressures to adapt to that field's norms in order to help ensure legitimacy and survival. This isomorphic pressure resists differentiation and results in organizations becoming more similar to one another over time. Institutional theory highlights the vital relationship that exists between organizations, describes the influence of external environments, and helps explain how these combine to affect organizational behavior (DiMaggio and Powell, 1991). DiMaggio and Powell (1991) and Aurini (2006) describe the cumulative force of isomorphic pressure from other organizations as mimetic, and are particularly focused on environmental forces that encourage organizational conformity.

The concepts and themes that emerged from the analysis of primary documents and semi-structured interviews represent an organizational view of a set of decisions surrounding the adoption of the undergraduate business major at Middle College. The
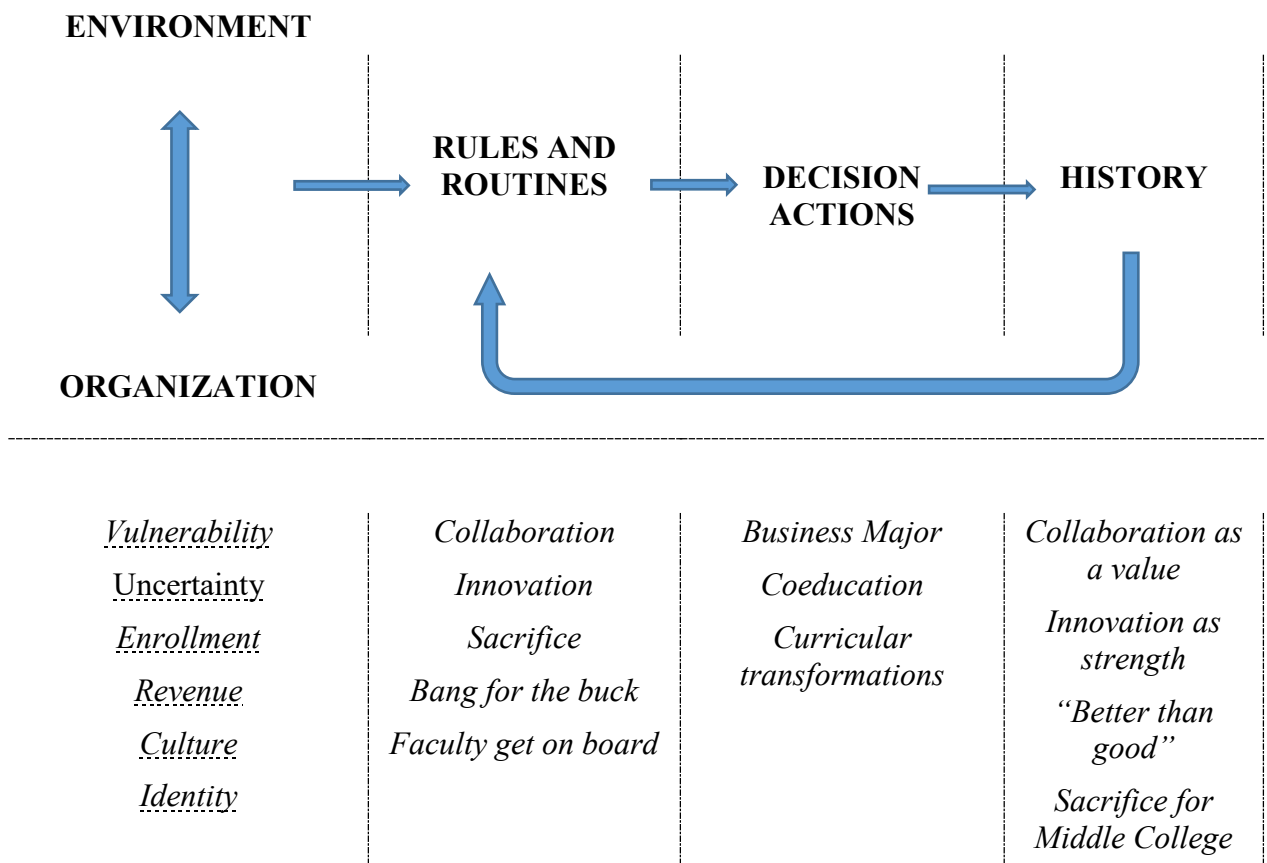
major concepts that emerge from the data and derive from this analysis are presented in this section through the lens of institutional theory. The presentation of these data will correspond to the foci of institutional theory as well as the elements of decision making as defined by March (1994) and others within the canon of decision making literature used for this study. These broad foci of institutional theory include: (1) the factors that influence organizational decision-making, in this case environmental and organizational contexts; (2) the elements that comprise the decision making processes and inform organizational learning; and (3) the outcomes and organizational changes that these decisions produced (DiMaggio & Powell, 1983). The discrete elements of decision making include: identification of the problem, understanding the problem, decision making process including decision rules, actors involved, identification of alternatives, and evaluation of the choice (March, 1994).

Throughout the interview process the environmental and organizational contexts remained closely interrelated, making it difficult to make meaning of the information if they were presented separately. Hence I have combined those two contexts into one discussion. Additionally, both decision making processes will be evaluated independently and sequentially, based on the elements of decision making identified by participants. The outcomes of those distinct processes were also identified in the data and will be presented here. How the data answers the primary question posed at the outset of the study, "How did Middle College adopt a business major in 2013?" will be addressed, followed by a delineation and comparison of both processes. The limitations of this study as they relate to the identification and availability of participants, the timing of the study, and the role of the researcher will be addressed in closing.

Framework for the Analysis of Data

This analysis proceeds from assertion that understanding rules is important to understanding organizations (Hall, 1987). The specific framing for the analysis is shared by March, Schultz and Zhou (2000) in their seminal work on decision rules. According to the authors the basic conception of rules within organizations assumes "that actions are translated into histories, history is translated into rules, and rules are translated into actions (March, Schultz and Zhou, 2000. p. 23)".

Figure 1: Relationship between Rules, Actions and History

ENVIRONMENT

| | RULES AND ROUTINES | DECISION ACTIONS | HISTORY |

ORGANIZATION

Vulnerability	*Collaboration*	*Business Major*	*Collaboration as a value*
Uncertainty	*Innovation*	*Coeducation*	*Innovation as strength*
Enrollment	*Sacrifice*	*Curricular transformations*	
Revenue	*Bang for the buck*		*"Better than good"*
Culture	*Faculty get on board*		*Sacrifice for Middle College*
Identity			

The analysis of the data for this study of decision making demonstrates that a significant interaction occurs between the *environment* and the *organization*, in addition

to the relationship between rules, actions and history. The diagram above mirrors March,

Schultz and Zhou's (2000) representation of the relationship rules, actions and histories,

and depicts the relationship between the various concepts and themes that emerge in this

study. It indicates that the data show a significant interaction between *organizations* and

environments, and that this interaction results in the production of rules and routines,

rules produce decision actions, actions affect institutional history, and history both

reinforces old rules and informs the development of new ones. The diagram also

identifies major concepts that are associated with major themes depicted in the diagram.

Concepts associated with organizational and environmental contexts include, *Crisis*,

Vulnerability, Uncertainty *around Enrollment* and *Finances. Collaboration, Innovation,*

Sacrifice, Bang for the buck, and Faculty Getting On Board were associated with the

theme of *Rules and Routines* as well as with the theme of *Identity*. The adoption of the

business major remains the primary decision being adopted and is indicated in the section

which reflects decision actions.

Chronology of Two Decision Events

Throughout the interview process, participants established that the question "How

did Middle College adopt a business major in 2013?" is addressed in accounts of two

distinct and consecutive decision making processes which resulted in the adoption of a

business major. The first decision making process resulted in the creation the Middle

College Strategic Response Plan in which the business major emerged as a primary

academic option. The second decision making process is the Middle College faculty

process to adopt a new major which resulted in the successful voting of the business

major into the Middle College curriculum. The following timelines frame and organize

the decision events associated with the ultimate adoption of the business major and

decisions are analyzed based on the elements of decision making.

Table 6: Chronology of Decision Events – Strategic Response Plan

2007- 2008	- Economic Downturn
Fall 2008	- Begin work on the Integrated Financial Plan - Halt the construction of the new academic building
Fall 2009	- Successfully complete the capital campaign - Resume construction of new academic building - Budget and hiring freeze
Spring 2010	- Board of Trustees Retreat – "New Normal" - Budget reductions and reduction in workforce
September 2011	- New Academic Building Opens - Cost control measures and budget freezes in place - Discussions and planning for revamped business minor
November 2011	- Report on requirements for small college business minors - Early development of Strategic Response Plan
January 2012	- Draft of Strategic Response Plan complete for the Board of Trustees (including business minor)
March 2012	- Faculty approves a revised business minor
May 2012	- September deadline for finalizing Strategic Response Plan
May-Sept 2012	- Administrative leaders develop and research alternatives - External research consultants hired
Summer 2012	- Development of full Strategic Response Plan - Provost to Board: "This is a faculty decision."
August 2012	Communication draft announcing Strategic Response Plan
September 2012	- Formal Release of the Strategic Response Plan - Provost's recommends ad hoc faculty committee
October 2012	- Strategic Response Plan published - Ad hoc Committee on the Business Major is established

Table 7: Chronology of Decision Events - Faculty Adoption of Business Major

Summer 2012	- Administrative leaders develop and research 17 strategic alternatives - External research consultants hired
Summer 2012	- Development of full Strategic Response Plan - Provost clarifies to the Board– "This decision can only be made by the faculty." - Faculty administration- "There must be a faculty committee."
Aug 2012	- Communication drafted announcing final version of Strategic Response Plan
Sept 2012	- Formal Release and presentation of the Strategic Response Plan - Release 17 strategic options - Provost's recommends ad hoc faculty committee to explore business major - Thought leader series launched. 'Envisioning an inspired evolution of the liberal arts.'
Oct 2012	- Strategic Response Plan becomes the 'Inspired Evolution of the Liberal Arts' vision document published and distributed to all constituencies. - Ad hoc Committee on the Business Major is established - Regional faculty member/consultant hired to assist Ad Hoc Committee
Nov 2012	- First meeting of Ad hoc committee on the business major
Jan 2013	- Ad hoc committee meets to finalize proposal - College Curricular Policy Committee reviews finalize Business Major Proposal
Feb 2013	- Full faculty reviews and discusses business major proposal
Mar 2013	- Full faculty votes to adopt the business major
Summer 2013	- Founding Director of the business major is hired
Fall 2013	- Business major is available to first-year students

Major Themes

Throughout the study, concepts and themes emerged from both the analysis of 130 pages of administrative documents including email communication and planning documents, as well as from the information shared by the ten (10) interview participants. Throughout the interview and document analysis, process, 31 concepts emerged, from which three (3) major themes were derived. The following section will address the concepts (listed below) and major themes that surfaced in context. The three most salient themes on decision making that emerged were *organizational identity*, *vulnerability and uncertainty*, and *processes and routines vital to organizational success*. Because of their overarching nature in the study, the themes of *identity* and *vulnerability* will be analyzed prior to exploring the elements of decision making for each process. Both themes seemed to inform and contextualize decision making, while the final theme, which centers on rules and routines, emerges primarily within a decision making context. Each of these themes will be explored in context in the next section; this will be followed by an analysis of the elements of each decision making process.

Identity, Values, and Organizational Behavior

Throughout the study, academic leaders were prompted to reconstruct the decision making processes for both decisions being studied. Several salient themes emerged from our conversations tied to concepts like identity and values and the influence of those concepts on decision-rules and the decision making process. Identity influences and drives organizational behavior, shapes culture, and guides individual and organizational decision making (March, Schultz & Zhou, 2000). Participants across all

interviews described aspects of Middle College that speak to its strong identity. In this study, 'identity' means perceptions and beliefs about the institution or its members that make up its core institutional character. Identity was specifically tied to institutional strength that influences and guides organizational behavior. Specific aspects of organizational identity that were particularly salient are represented here as *identity markers* which, taken together, create a distinctive organizational character that guides decisions, behavior, and outcomes.

Identity was the most salient theme that emerged from the interview data and was correlated with four distinct concepts including, collaboration, innovation, sacrifice, and being a 'better than good' liberal arts college. Participants referenced both organizational identity and individual or group identity. With few exceptions, these references were tied to positive organizational traits. Organizational identifiers often referred to enduring characteristics that were embedded in the college's history, practices, and what Clark (1970) refers to as the organizational saga, so as to represent a distinctive institutional character.

Individual and group identity references included a set of qualities, practices, beliefs and behaviors that often seemed to rise to the level of organizational values. These references typically referred to a set of values held and embodied by the faculty and passed along to new members of the college. Some of these values were also extended to historic leadership figures, including former Presidents and provosts and senior members of the Middle College community. These figures were normally referenced as part of the organizational saga and tied to historic decisions or moments at the college.

Faculty leaders believed that institutional identity and culture guided individual behavior. Faculty leaders also described an acculturation process within academic departments that taught young faculty about the history of the college and the expectations of community members. Academic leaders shared that there were particular ways that the Middle College faculty approached challenges, and that those lessons were passed down through stories and depictions of historic events. The organizational identity of Middle College was so deeply ingrained that it was sometimes difficult to distinguish whether academic leaders were referring to the institution or individuals. In discussing identity, participants often used phrases like "who we are" or "who we have been" as part of the context of an answer to an interview probe. Participants moved fluidly between descriptions of individuals, characteristics of behavior, or representative qualities of the organization; this relayed a sense of a deeply embedded identity and culture that was easily understood. Participants sometimes started to talk about "who we are" and transitioned to statements that expressed "what we do." There was a sense from academic leaders that Middle College lives and practices its values every day, in an operational way, which reinforces the values and the behavior with which they align.

As noted above, specific *identity markers* were identified throughout the study and some remained salient throughout the course of the interview. Identity markers in this study are defined as aspects or descriptors of the organizational identity that go beyond a descriptive account of the organizational character and were presented as organizational strengths. All academic leaders cited these markers as integral to "who we are" and represented them as part of an organizational culture.

Academic leaders referred to four primary identity markers within two identified types. *Individual identity markers* were tied to perceptions and qualities of the professional staff at the college, primarily faculty**.** O*rganizational identity markers* described discrete institutional qualities. The most salient individual identity markers include description of members of the Middle College community as "*collaborators*" and "*innovators*." Organizational identity markers included a belief that the college was a "survivor" and a "*better than good*" middle-tier liberal arts college.

The following section will describe each identity marker in greater depth**.** Middle College's identity is driven by stories, behaviors, and examples of people and important moments in the college's history. Notably, the move to coeducation had a major impact on the identity of the institution and how members perceived it**.** The process of transitioning to coeducation was shared as an integral part of the institutional history that shapes behavior and grounds identity markers for some academic leaders at the college**.**

Academic leaders viewed collaboration, including cooperation and partnership, as core to the organizational identity**.** They described collaboration as a deeply held value and a cornerstone of decision making and governance at the Middle College, as "part of who we are" and "how we do things." They consider collaboration to be an institutional strength and a normative practice at Middle College**.** Academic leaders from the administrators and faculty ranks shared that the value of doing things together is thought to be ingrained in the culture and both carried and reproduced by the faculty. Jan, a member of the faculty, described it in the following way, "It was always a sense of community - that we could work together. So the sense of community I thought was always our strength for students and for faculty, for staff, anyone who is here."

Between faculty members and academic departments, collaboration takes the form of interdisciplinary majors and a thoughtful consideration of the implications of institutional decisions on departments outside one's own. Senior faculty leaders describe a uniquely collaborative faculty expressing the belief that there had been a special quality to their collaboration that resulted in strong interpersonal relationships and mutual respect and that this quality made Middle College an ideal place to build an academic career. Bobby, a senior faculty leader shared that, "…there seemed, at least in the past or at least in retrospect in people's memories, where it was much more open, much more welcoming, we were all in this together and were going to work on a solution together."

As faculty leaders describe it, the culture also manifests a sense of cooperation and transparency that supports both public and private collaboration between faculty and administration. These practices seem to underpin college leaders' respect for the shared governance process at Middle College. Strategically, academic leaders at Middle College appear to depend heavily on back-channel communication between faculty member and administration to ensure that public processes reflect a sense of collaboration and partnership. For instance, administrative leaders stated that an important factor in paving the way for the business major to be considered was a private conversation between a faculty member and the Provost in which the faculty member suggested that he call for faculty leadership in the process. Peter, a senior administrative leader shared, "The best piece of advice I got was from a faculty member who said to me, 'Peter, you have got to do this with the faculty committee. There's got to be a group of faculty that studies this and puts the major together and presents it to the rest of the faculty.' And that's what we

did." Academic leaders described that moment as instrumental in making a successful start on the process.

Faculty leaders noted that the value of shared governance is communicated and reinforced in particular venues, including meetings of the college AAUP chapter, which they describe as historically influential in college governance. One faculty member reflected on it in the following way, "I would say the major formal place for such communications were the AAUP meetings. Monthly meetings. There may be sub-committees of that larger committee that were also having conversations but I would say that not having a faculty senate, or anything along that line, that that was the main place for these conversations." The process by which faculty socialize and impart the culture with new members is another form of organizational learning that emerges as an important concept throughout both decision making processes.

Collaboration at Middle College was also tied to the process of getting on board. Academic leaders shared that as a practice, the faculty get on board for the sake of the college. Greg, a faculty member reflected on his time at the college in the following way. "And, I have to say this, cause it is still true, and I've come to appreciate it more in this role. There are folk at Middle who, when [things] get hard, they roll up their sleeves, and, just go in… And, it's true at this time, among the faculty, among the staff. I think it's also because, for a good portion of those people, they genuinely love Middle. And, I think that was a strength, too." Academic leaders identified venues at which collaboration and partnership are reinforced, including AAUP meetings, individual outreach from colleagues, and open conversations at meetings of the full faculty. All these produced faculty buy-in to processes or decisions. The AAUP meetings were

described as private meetings in which faculty voiced their concerns which normally

signaled an opportunity for either greater transparency or follow up conversations. Every

faculty leader in the survey noted the value of the AAUP venue and the purpose it served

for faculty. AAUP meetings also served as opportunities for faculty members to

strategize, assign leadership voices to particular issues and to gather information from

committee or administrative meetings of which the full faculty was not a part.

Faculty collaboration and cooperation at Middle College, however was not to be

confused with faculty weakness or ambivalence. A clarifying distinction made by one

faculty leader characterized Middle College faculty as necessarily questioning and

challenging but not obstructionist. All academic leaders in the study agreed that although

collaboration with the faculty is part of the institutional identity it does always reflect

unified agreement.

> "It went more smoothly than I thought it was gonna go, but there were
>
> detractors. Occasionally very public detractors. More often than not,
>
> people had questions about how successful it was gonna be privately, but
>
> it never blew up at a faculty meeting. There weren't people speaking out
>
> against it at a faculty meeting. A couple questions here or there, but
>
> nothing that was going to undermine this process."

However, academic leaders referred to the collaborative process as maintaining

institutional integrity. The college faculty described a relational orientation that

engendered trust within a social network. This network of social connections, where

members serve particular roles, has been central to school improvement efforts in

secondary schools and is reflected in the Middle College culture as well (Coburn, Choi &

Mata, 2010). Alice's description of her presentation of the major at the faculty meeting is emblematic of the relational trust that exists at Middle.

> "It was then just a question of having faculty …talk about it and, so I did the best I could to present a plan for it and tried to take an evolutionary point of view and say to the faculty, 'Times change, and we better change with them.' I think I talked about the coed decision as an example. I was standing in front of them, and I can't remember all that I said…but I tried to put it in a historical perspective for them. I kept looking at Jim, and he was kind of smiling at me…I pay a lot of attention to what Jim says because I have great deal of respect for him."

Social network theory helps to understand a culture in which relationships are a central focus and members exhibited primary social connections to each other within the context of the organizational environment (Brogatti and Ofem, 2010).   Faculty and administrative leaders described the embeddedness of collaboration in the culture particularly as it related to the college faculty.

Faculty leaders describe a culture in which much of the decision making is collaborative but make a distinction between crisis and non-crisis situations. In accounts of two crisis situations mentioned by the faculty, there was a clear understanding that decisions could sometimes be made without very much collaboration or even without faculty support. Although senior faculty described these occasions as rare, there was acknowledgement that they did occur. Academic leaders further clarified that Middle College faculty opt into a process, not a solution, because they take shared governance seriously and they expect to be included. Jan, a faculty member, reflected on the decision

to advance a conversation about the business major and other curricular initiatives, like the development of Master's programs. "We were surprised that all this was done without any input from faculty. That this was just handed to us... And not that any of these were terrible ideas, it's just it didn't have any faculty input... A lot of these were curricular - this was something that we were supposed to take charge of as faculty…"

References to faculty getting on board were numerous throughout the study, along with a related concept identified as 'love for the college'. Along with love for the college, *sacrifice* was an additional concept identified as a source of collaboration. In this regard, faculty leaders explained that the faculty had "conceded" to a process by which the college would explore a business major option, which bespoke a certain reluctance. Ultimately, however, the faculty leaders reported that the faculty voted by an overwhelming margin to adopt the major proposed by the ad hoc committee**.** Faculty leaders shared that "it was the best thing for the college." Administrative leaders spoke to the faculty's commitment to the college as one of its greatest strengths and added that Middle College faculty are not "just going to throw up their hands […]" Administrative leaders referred to "putting egos aside" as a form of sacrifice which was also linked to the concept of 'putting Middle College first'. One senior administrator characterized how this concept influenced governance at the College. "There are no egos. You can be taken hostage by somebody with a big position or a big donor, or people who are there for their own agendas and their own resumes or something. That's rarely been the case at Middle. In the few cases where we really had problems, to its credit, we asked them off. That's really important. Otherwise you're dead."

Academic leaders further spoke of "sacrifice" as a quality of collaboration and a necessary condition for success. Faculty leaders told of decisions made in the midst of the crisis that resulted in a postponement of the faculty salary plan and a salary freeze in order to minimize the elimination of targeted staff positions as a cost-cutting measure. Many faculty in the study recalled faculty members offering a percentage cut from their own salaries in order to preserve staff positions. Additionally, administrative leaders recalled cuts to senior administrators' salaries in order to preserve staff positions. Carol, a senior administrator recalled, "We froze our budgets for two years! At least – two years…There were many of us who had a salary cut…" One senior administrator shared that college leaders, "…decided in the second year in advance of doing a reduction in force that the officers of the [College] needed to take a cut in their salaries. So [the President] reduced his salary … and the salaries of the vice presidents.... They weren't very happy about that, but felt symbolically we needed to…" Peter, a senior administrator, recalled another emblematic faculty conversation, "Where faculty members were talking about, 'I'm willing to take a five percent salary cut if we could keep staff people on.' Willing to basically donate, give the money back in order to keep people…" This value was also held within departmental cultures: one senior faculty leader shared that sacrificing for the college was a concept introduced to him by his department chair in his first year. This faculty leader's sense was that one sacrificed at Middle College because it was a special community. He continued "at the time, I thought, well... but I eventually found that to be very true and very rewarding." Examples such as these emerged throughout our conversations and served to affirm a uniquely collaborative

culture that is considered by all the academic leaders in the study to be a distinct organizational strength.

The sense that the faculty at Middle College are *innovators* emerged as another important identity marker. Innovation as part of the institutional history tied to the college's long-term survival was an important point for Middle College leaders. Specifically, they pointed to the history of curricular innovation and to the shift to coeducation. Middle College leaders hold dear the experience of coeducation as an identity-shifting moment that challenged the college to think differently about itself. For the faculty, it began a history of creativity and innovation around curricular issues that brought the college national attention in the 1990s and 2000s. Although the adoption of a business major did not compare to the larger curricular innovations of the past, the success of the adoption was tied to the institution's value of thoughtful change.

Threats to middle-tier colleges have spurred many adaptations and transformations (Brenneman, 1991). Administrative leaders made their own claims about innovation as well, which is tied to their sense of agility and survival. One faculty leader noted that the Board and the senior staff were innovative in their approach to the academic program, and indeed in marketing the Middle College direction. The theme of the final published plan, "Reimagining the Liberal Arts," was a play on innovation as well. Indeed, innovation emerged as a broad theme in the development of the business major. The opening statement of the new business major echoes this theme:

> Middle College has never found its educational niche in emulation, and that is
>
> why, over the years, time after time, we have blazed our own path. We have
>
> questioned, challenged, and transformed liberal arts education. This is clear in our

history, from Middle College's exceptional and unlikely beginnings … to today's innovative curriculum.

Additionally, the faculty described the creation of a liberal arts concentration within the structure of the business major as an innovation. Based on research of other institutions' business majors at the time, faculty leaders demonstrated that Middle College was the only institution that had required a liberal arts concentration as part of a business major. One administrative leader shared, "… people thought that the creation of the concentrations was pretty cool. And it was. Nobody else was doing this, and we came up with that as a committee." The spirit of innovation was at times also tied to the sense that the college is *nimble*. Responding to the crisis required planning that a larger institution, one faculty leader asserted, could not have done as quickly. This was as described one of several moments when the college has had to be nimble. In addition, at times when the college is out of step with its own processes, the institution maneuvers in order to make appropriate shifts. Such adjustments and shifts demonstrate an extraordinary ability to adapt to changing circumstances while remaining connected to the overall commitment to the core mission of the liberal arts.

Institutional identity is part and parcel of institutional culture. Collaboration and partnership were described not only as 'what we do' but as 'who we are'. Identity markers such as collaboration and sacrifice, love for the college, innovation and nimbleness together create a unique institutional character that also appears to guide organizational behavior and inform decision making. The Middle College character is also deeply informed by its history as an institution that has adapted, survived and thrived as a liberal arts college.

Environmental and Organizational Context: Vulnerability and Uncertainty

The 2008 economic downturn presented the college with yet another institutional challenge that would require it to respond, innovate, collaborate, and sacrifice in order to survive. A number of concepts came together to describe the impact of the environment on Middle College in the post-2008 era, which was also one of the sources of the problem. Each academic leader discussed the environmental and organizational context from which the business major decision emerged. Terms and phrases shared across these different contexts spoke to a perspective that reflected the environment and its impact on the college at the time. Two identified concepts are *vulnerability* and *uncertainty,* which were inextricably linked for academic leaders. These two major concepts linked to or correlated with *crisis, existential crisis,* and *competition* and emerged as an important theme in the study. Sam, a senior administrative leader described crisis and vulnerability in the following way, "…every college and university felt the downturn rapidly regardless of revenue mix. What we knew is the world had shifted on liberal arts schools. We knew we needed to make change…" Alice shared a faculty perspective on the uncertainty and vulnerability brought upon by the crisis. She recalled, "…we really had to figure out how to change what our offerings were, and the reality is college just ain't what it was when I was a college student…where I felt very lucky to even be accepted in college…Now the picking and choosing is by the consumers and not by the college, and we needed to recognize that and recognizes it in a way that would not compromise our integrity as an educational institution." Another faculty member, Greg, described the nature of the challenge to liberal arts colleges as, "…college is so expensive and [there is] this very hard push also against liberal arts. When the crisis comes, then obviously

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everyone wants to secure that job, and your location in the popular imaginary, the national imaginary, as an institution is no longer what it used to be."

Vulnerability and Uncertainty

The concept of *vulnerability* emerged as relevant within both environmental and organizational contexts, although a distinct difference was noted in the kind of vulnerability and the source of the vulnerability in each case. Academic leaders spoke about two kinds of vulnerability, which will be referred to as *threat vulnerability* and *constraint vulnerability*. For the purposes of this study, threat vulnerability is defined as a "fear of what can happen to us" as an institution. This kind of vulnerability was tied to the direct, active threat that the environment posed to Middle College. Academic leaders felt that Middle College was vulnerable because the post-2008 environment threatened enrollment and revenue. Constraint vulnerability was tied specifically to a limitation on financial resources. Academic leaders perceived that Middle College was vulnerable because they did not have the financial resources that would provide greater options to act. In sum, threat vulnerability was caused by the environment, while constraint vulnerability originated within the organization. Some constraints were described by senior administrator Carol, as "…if you think about inputs, enrollment's one, and external funding is the other. We had just come off the campaign. What were the prospects? How often can you go to the well, to the same people?" Peter, a senior administrator shared, "We were certainly stronger than some other colleges, but the endowment wasn't huge…and parents began to think about what the impact of the financial crisis was going to be…The question became, as you well know, 'Can I trust a liberal arts college as an investment? Those were our biggest challenges'."

Academic leaders described *vulnerability* as a sense of institutional risk, fear, or weakness tied to perceived threats to the college as a result of the 2008 economic downturn. This vulnerability was based on fears about how the institution would be impacted by external forces and stemmed from three sources, including: (1) a change in the higher education environment; (2) the relevancy of the liberal arts in American higher education; and (3) the financial impact of the downturn.

This sense of vulnerability, as it related to the changing higher education environment, was shared most prominently by administrative leaders at Middle College. Specifically it derived from a sense that the higher education environment had undergone drastic change— reputationally, demographically, and economically. Several of the leaders shared perspectives from meetings and conversation that took place during 2008-2010. Consensus among administration and Board leadership at the time was that this period represented a real change in higher education. Jan, shared her recollection of a meeting of senior campus leaders which helped characterize the shift. "The question that the facilitator asked us was, 'Is this an anomaly, or are going into the new normal?' So, most of the [group] was saying, "I think this is a real change." That was my feeling. This is not just business as usual. Jim, however, was not ... But to me, it was as clear as ever that we're in a new time. And we still are."

The *reputational* vulnerability was expressed as a sense of worry about the relevancy of the liberal arts to students and families. Faculty leaders felt that Liberal Arts Colleges had not marketed themselves well and could not "sell themselves to the broader populace." Connecting this to the 2008 crisis, faculty leaders said that as a result "the location of Liberal Arts Colleges in the popular imagination had shifted" and that "the

institution is not what it used to be." Senior faculty leaders shared that in conversation with early-career faculty, some asked whether colleges like Middle College would close within the next decade or survive the twenty-first century**.** Among all academic leaders there was a sense that Liberal Arts Colleges would have to change, that students were gravitating toward majors that led into careers, and that graduating with a degree in Humanities was less appealing today than it was thirty years ago. One faculty leader explained, "… the areas that are most career oriented, these days, which are biological sciences and business and psychology, are really now defining Middle College education. And those departments that once defined [it]…for instance, History, and Art, Art History, and English, and the more humanities focused disciplines are really [affected]." A senior faculty leader involved in curricular reform at the College shared that, "…we weren't stupid enough to think we could evolve a curriculum in a vacuum, we had to know what students- potential college students were interested in, and we had to address that." Anxiety that students were seeking a more 'professional' education and that the downturn was forcing existential questions was prominent in all academic leaders interviewed and tied to questions about the relevancy of the liberal arts. Mike, an administrative leader, said, "The downturn was also forcing questions like, 'What good is a liberal arts degree?' " Alice summarized this sentiment in the following way, "There are fewer students and not as much interest. I don't think that's a uniquely Middle College characteristic. I think that is a characteristic of higher education, in general, right now. And so for us to say that we can't tolerate that is to go and just spit in the wind of the tidal wave when it's coming at you. You're just not going to be able to change it."

Closer analysis of the issue of relevancy of the liberal arts resulted in the identification of a set of concepts tied to the "return on investment" in a liberal arts education and competition for enrollment. Both faculty and administrative leaders talked about an ongoing national conversation about the value of brick-and-mortar institutions and backlash against liberal arts colleges. Academic leaders expressed a sense that the public was pulling back and parents were worried about whether a liberal arts college was a good investment for their family. In response to a question about the effects of external forces impacting Middle College at the time, Greg, a faculty member, listed what he considered to be the emerging threats. Greg, said "The general discourse in higher education happening at that time. So the emergence of these MOOCs, this massive open, on-line courses. Basically all these articles about how online courses and so on [were] the panacea. That you didn't need to go to college. And this is obviously before all those got proven to be ineffective." Bobby, a faculty member involved in the college's recruitment efforts shared, "Families were asking 'Who needs Greek and Latin when everybody should be coding?'" Faculty and administrative leaders shared that families were asking new questions, which were emblematic of the lack of confidence in the Liberal Arts degree. Bobby continued, "Families are asking, 'Is what I'm able to make after I finish college really going to make a liberal arts degree worthwhile? How do I weigh the value of coming to Middle College against my fears of what might happen in the labor force? and do I really want to be $100,000 in debt at the end of all of this when I want to work for a non-profit?"

From an *environmental* perspective, addressing higher education's market forces, the economy, and other external forces that impact the college, academic leaders

discussed vulnerability in strictly economic terms. Academic leaders felt that the economic environment in higher education was changing and that every college and university was going to feel it, regardless of revenue mix. Many academic leaders in the study felt that the shift in higher education tied to the 2008 downturn would affect affordability, enrollment, and spending from endowments. Some faculty leaders shared that they felt that administration and the Board of trustees anticipated a post-2008 shift; they also noted that colleges were simultaneously aware of what could happen and "completely at sea about what to do about it." Alice, a senior academic leader, shared, "This was as an existentially anxious time for colleges like Middle College." Some faculty leaders, however, said they had been unaware of the vulnerability that Liberal Arts Colleges faced as a result of the downturn and described this threat as surprising and "eye opening" for many faculty members. According to both administrative and faculty leaders, it took some time for many faculty members to understand the nature and seriousness of the crisis or the nature of the strategy. Peter, a senior administrator, remembered it in the following way.

> "So my recollection is that, I would characterize that, it took the faculty quite a while to understand both the nature of the issue and understand that it wasn't simply a matter of …administrators who don't know how to manage their way of a crisis. And that's a natural reaction. If you're not inside of it and you're just looking at it from the outside, you're just like 'well just fix it'… Faculty were coming to understand at different levels, for different people, what was going on. And what we could do about it."

Another faculty member shared, "But my sense was ... Assuming say we have a hundred faculty members. Twenty-five really knew what was going on. Another twenty-five could probably figure most of these kinds of things…and the remaining fifty … would probably not have been able to name all seven of these steps." The seven steps refers specifically to final seven points in the strategic plan, which were referred to as the seven "drivers". A senior faculty said that she thought that some faculty members expected that the college "…could increase enrollment or just get one more wealthy donor" to carry it through this period**.** She also shared, however, that given the arc of her tenure at the college, this event "…did not seem like the biggest crisis Middle College had faced"**.** Later, Alice acknowledged that she found the information shared by the administration about the impact of the crisis on Liberal Arts Colleges as "sobering to think that we were moving closer and closer to a financial cliff, and we can't be complacent about that."

From an organizational perspective, that is, concerning conditions internal to the college, vulnerability was focused on enrollment, competition, sustainability, and financial constraints**.** The sense of constraint vulnerability around enrollment for all colleges was exacerbated for academic leaders at Middle College by a confluence of factors, including the availability of students as a scarce resource post-2008 and the anticipated loss of family wealth to finance a liberal arts education**.** Throughout the study, academic leaders referred to the effects of demographic trends and the impact of the crisis on a family's ability to afford a private liberal arts education as threats to enrollment. Administrative leaders acknowledged that fewer students were going to college, that there was not enough interest in the liberal arts, and that the admissions process had changed**.** One faculty leader captured the vital shift in the admissions process: "Now the

picking and choosing is by the consumers and not by the college, and we needed to recognize that and recognize it in a way that would not compromise our integrity as an educational institution." Senior faculty leaders were experiencing a shift from what could be characterized as a seller's market in higher education to a buyer's market, having experienced Middle College's popularity rising throughout the previous decade.

Competition for students in the admissions process was an embedded concept throughout the conversation about vulnerability around enrollment. Administrative leaders shared that the faculty lacked an up-to-date sense of the admissions and retention pressures that faced middle-tier colleges generally and Middle College specifically. Interviews revealed that academic leaders had learned a great deal about how Middle College would be affected by the demographic shifts and competitive reality that resulted from the crisis. Greg, a faculty member shared, "…it was very clear that we were taking a hit in terms of enrollment. All the colleges around us were bracing ... For instance, [Greene College] right away, took 100 more students. Like the following year, something that we couldn't do…" As it related to the competition for students, Peter shared, "…that there's a regional component at a school like Middle, was unexpected for the faculty especially and I think to some extent, the staff…because they thought of us only in the hierarchy of Liberal Arts institutions and were unwilling initially to believe that … competitors, were actually stealing our students, if you will. Academic leaders acknowledged that the college had to begin to appeal to students who had another college in mind and that any additional efforts would have to increase the ability to attract new students.

As faculty leaders learned more about admissions and enrollment processes, they expressed surprise that strong Middle College students might be the target of area colleges' recruitment efforts when those colleges were pushed to accept more students in an effort to grow their own enrollments. Faculty and administrative leaders talked about "schools above us," meaning colleges further up the reputational ladder than Middle College, as destinations for some of the college's recruited students. Jan, a faculty member, described the competition for students as, "…when other schools decided to respond to the financial crisis by admitting more students, since we were lower in the pecking order, they were taking our students. So parents ... They were responding to the financial crisis by sending their kids to state schools, sending their kids to now higher tiered schools because they were accepting more students. That's where our vulnerability was…financially we were at a disadvantage." This reflected the two-pronged problem experienced in a highly competitive higher education market: recruitment of a larger number of students and retention of those students through matriculation.

Brenneman (1994) found that *tuition-dependent* middle-tier colleges are more vulnerable in difficult economic times; hence the impact of the economic downturn on enrollment remained a primary source of concern at Middle College. Administrative leaders at Middle College predicted that it would be a period of slow growth and that there would be a keen focus on the financial health of the college. Faculty leaders reported that these predictions of slow growth created worry among the faculty, which was reflected in comments regarding the viability of raising salaries and saving administrative jobs. One administrative leader described the period as follows: "I think the pencil got sharpened as people were looking at the slower trajectory of growth in the

pool of applicants, the level of neediness of those applicants. So, real issues around affordability..."

Affordability was also an important concept tied to enrollment. One administrator described the post-2008 environment as "a terrible trifecta" for families: "They had less. So … people had almost no home equity left. Their retirement savings were in total disarray, and they were on the cusp of losing their jobs. These were our parents." Academic leaders expressed concern that in this environment, the college tended to recruit students who exhibited greater financial need. Given that college endowments had lost an average of 20% of their value, meeting that need would further stretch or exceed the college's financial aid budget. The reality, from an administrative leader's perspective, was that the college would have to work harder to recruit and retain students who might be lured away by schools with lower cost or greater reputational strength. Further, Middle College families might opt for the more affordable public-college option even if it was their child's second choice. Carol, a senior administrator, recalled, "Another, that we spent a lot of time on, had to do with reach and reputation…how in the world are we really going to get this message out? Like most institutions, I think [Middle] felt that it was underrepresented, less appreciated, not well known enough, all of those things. So, how are we going to turn the dial on that? In one way or another, that occupied a lot of time."

In addition to concerns about tuition dependency and the cost of competing for students, and whether Liberal Arts Colleges were collapsing under the weight of an economic crisis, academic leaders reflected on financial vulnerabilities beyond those tied to enrollment including fund raising and budget cuts. Carol continued, "I would say the

third thing that we were wrestling with were the limits of fundraising." Marsha, and administrative leader, recalled that "…first and foremost, in that first year, we had to reduce the budget by $2 million, and…put [together] an Ad hoc task force. We…gave them a menu of things from which to choose…but we need to come up with $2 million worth of cuts."   Administrative leaders identified vulnerability stemming from financial constraints tied to institutional wealth and a modest endowment and operating budget**.** The financial constraint that emerged most frequently for faculty leaders at this time was the college's reluctance to endorse a highly-valued faculty salary plan that emerged as both a point of contention as well as an indicator of the crisis**.** Throughout higher education and at Middle College as well, delay in undertaking needed academic building projects and deferral of facilities maintenance showed the constraining effects of the budget and the downturn**.**

A small endowment also constrained the college's ability to fund financial aid in the most competitive way**.** One administrative leader shared that "money" was the barrier to making the education more affordable for Middle College students and families and described the modest endowment as "the detriment that we were always up against in that regard." Both faculty and administrative leaders considered Middle College "stronger than many colleges," but also accepted that the endowment was not large**.** Carol, described the constraints on revenue in the following way**.** "If you think about inputs, enrollment's one and external funding is the other.... How often can you go to the well…?" Administrative leaders characterized the higher education environment, both at Middle College and beyond, as a 'crisis' and signaled an important turning point for small, Liberal Arts Colleges**.**

Vulnerability created a sense of *uncertainty* at Middle College, which emerged as an important and related concept in this study. Uncertainty here refers to individual and organizational doubt and hesitancy about the unknown or about unpredictability of outcomes at Middle College. Uncertainty differed from vulnerability, in that it seemed to stem from unknown or unconfirmed threats, while vulnerability stemmed from known ones. Brenneman (1994) found that tuition-dependent colleges face greater levels of uncertainly and vulnerability in difficult economic times, and thus the Middle College experience is noteworthy but not anomalous. Like vulnerability, uncertainty at Middle College shared two sources: enrollment and finances.

The data shows that faculty leaders and administrative leaders framed questions differently throughout this period of uncertainty. Administrative uncertainty tended to be framed more broadly: "Can families still afford this kind of education?" "Will students continue to take on greater levels of indebtedness?" "Is the liberal arts college model sustainable?" Faculty uncertainty seemed more localized and direct. "Where will my students come from?" "How will this affect my tenure?" "Will there be more budget, salary and hiring freezes?" "Will we have a faculty salary plan?"

In the "new normal" environment, students in the enrollment process represented an even more valuable and scarce resource. Throughout the study, academic leaders referred to important organizational learning that took place between the faculty and the administration. Some of the uncertainty stemmed from a lack of understanding about the nature or framing of a problem, or the nuances of a process. Faculty leaders discussed their uncertainty about what low enrollment might mean for the future of their departments and majors, whether departments might be eliminated, or whether the

college would close. Greg helped to characterize the fears and concerns of younger

faculty and said, "So there was a distinct sense of crisis I think among, especially the

younger faculty…on the horizon there was a threat for our jobs…or the potentiality of

having a Middle in which programs are closed. So you're not going to lose your job, but

you don't have a major any longer and are relegated to just service and basic teaching."

For senior faculty leaders, financial uncertainty stemmed first and foremost from

the implications of a salary freeze on the faculty plan. For early-career faculty leaders,

financial uncertainty took the form of an unsubstantiated worry about losing their jobs.

The uncertainty initiated faculty conversations, increased participation in AAUP

meetings, and sparked private conversations about what the challenges would mean for

the college.

The consequences of the 2008 economic downturn constituted an existential

threat for some lower-tiered Liberal Arts Colleges. Both faculty and administrative

leaders at Middle College referred to uncertainty about the sustainability of the tuition-

dependent liberal arts college model. Questions about sustainability created a sense of

urgency among faculty, especially younger faculty members who had not experienced the

transformation of the college through coeducation, described by many academic leaders

as "our near-death experience". This level of uncertainty was described as new to many

faculty members who had grown accustomed to the enrollment successes that resulted in

budget surpluses from the late 1990s through 2007.

Some faculty expressed uncertainty about the current state of the institution,

whether it was mismanaged, and who was making decisions. As it related to the changes

that would be recommended or proposed, faculty leaders shared that their colleagues felt

uncertain about "what the college will become" and wondered whether this was the beginning of a transformation. One faculty member described Middle College as "the kind of institution we chose to work at" and it seemed that a perceived threat to the nature of such institutions unsettled faculty members who had not previously experienced major shifts at the college like coeducation. The decision to propose a business major was described by all leaders as an administrative one, and faculty leaders shared some uncertainty about where the college was going and whether faculty would have a role to play in that important process. Greg described the moment in the following way, "I think everyone's attitude was kind of holding their noses. Like 'we are going to do this thing but'. And that was kind of the message from that administration, 'we have to do this because it's a way to attract the students, it's a way to generate revenue long-term'." Bobby, a faculty member explained,

> "This is something where I believe the bulk of the faculty members on [the committee] feel somewhat out of their league. It's about money. It's about a way of surviving. That's all kind of scary because…Most of the faculty members have only ever been faculty members. So they haven't had any other kind of experience. Higher ed or otherwise. So, for a number of them it's the sort of a fish out of water…kind of thing."

Still other academic leaders shared that the proposal was initiated by the board. Mike, Jan and Alice each stated, "The board wanted it." Mike further clarified and said, "The board wanted it and I think I was saying the board wanted the College to do something to respond to the fiscal reality." These questions raised the issue of internal rules and procedures and how they would be followed in the making of such an important decision.

Rules, Routines, and Standard Operating Procedures

Organizational actions and behaviors take many forms of which decision making is but one. The third major theme that emerged in conversation with academic leaders was the sense of Middle College's reliance on rules and routines. Rules, routines, processes, and standard operating procedures are particularly relevant in decision making; they form part of the description of organizational behavior related to formal organizations. For the purposes of this study, *rules* means the college's established and documented policies, procedures and practices, such as those published in Faculty Legislation, that guide how the institutional actors accomplish work and engage productively in the college community. Rules dictate organizational behavior, organize institutional processes, and help establish behavioral expectations for institutional actors. Throughout the study, academic leaders talked about existing rules that were adhered to as well as those that were established within the process. Rules took the forms both of guiding principles and of rigid timelines according to academic leaders interviewed. They may have provided a sense of certainty or predictability in an uncertain time.

According to March and Olsen's (1989) rules and routines evoke meaning and are grounded in institutional histories. Rules shape and reflect organizational identity, guide behavior, and clarify decision making. Most individual behavior is understood to be rule based where rules help define appropriate behavior. In an organizations context, action is driven by a logic of appropriateness where identities and rules for behavior are matched, rather than by individual preferences (March, Schultz & Zhou, 2000).   Organizational actors are thought to ask three guiding questions that speak to a construction of self, a construction of reality and the match between the two. Who am I? What kind of situation

is this? How does a person like me act in a situation like this (March, Schultz & Zhou, 2000). According to March and Olsen (1989) rules help to dictate each of these areas which help to define organizational behavior.

In the face of uncertainty and vulnerability rules play a special role within organizations, each of which is reflected in this analysis. Rules played a significant role in both decision making processes at the center of this study. Five essential characteristics of organizational reliance on rules and routines are noted in organizational literature and emerge as vital to the exploration and understanding of these processes at Middle College. The analysis proceeds chronologically, rather than thematically, and therefore it was important to identify these themes at the outset of this section analyzing the data on decision rules.

The reliance on rules and routines within the context of environmental uncertainty are reflected in five important characteristics of organizational behavior identified by March and Olsen (1989) as well as March, Schultz & Zhou (2000). Reliance on rules and routines in organizations generates the belief that:

- The rules are conscious and intentional actions directed toward the
  improvement of organizational performance and efficiency.

Working together as a team and collaboration emerge within this study as important concepts that were related to both organizational *identity* and organizational behavior. Throughout the study, academic leaders, like Mike, referred to "faculty getting on board" or "faculty rolling their sleeves up" as concepts that demonstrated this organizational expectation. Throughout the process, academic leaders also indicated undocumented

rules and routines that encouraged and facilitated this behavior, primarily within the faculty culture at Middle College.

- Rules evoke meaning.

Academic leaders throughout the study reference a strong sense of identity, tied to institutional history, stories, and shared experiences. Academic leader returned to the themes of *collaboration* and *innovation* when referencing both "who we are" and "how we do things". Sam, shared that to be successful at Middle College "…you had to have faculty who trusted the trustees to realize that they aren't' out to screw us. That they're actually positively interest. They're building bridges and involving us." He goes further to say, "…the faculty get it completely on enrollment and retention and they are deeply involved and they work closely with the vice presidents and we're all allies in that cause." The process by which the college transitioned to coeducation established a set of rules and routines which academic leaders have tied to institutional survival. The college's history with adaptation and transformation seemed to have embedded a set of rules and routines that help the college respond to uncertainty and vulnerability, and reinforced a sense of trust and confidence in each other. Meyer and Rowan (1977) describe this as promoting a logic of confidence and good faith. Bryk and Schneider (2002) in a study of three urban schools referred to the concept as *relational trust* that is established between members of a community. Members see themselves as connected to others and enact behaviors because the identification with others in meaningful and provides a type of social capital (Bryk & Schneider, 2002).

- Rules and routines help organizations modify organizational choices and alternatives (Cyert & March, 1963).

Academic leaders identify rules as factors that helped to define and limit organizational

choices. Administrative leaders referenced rules that helped define both the seven drivers

of the Strategic Response plan as well as the seventeen strategic options from which the

business major emerged. References to a proposed option's "bang for the buck" or its

immediate impact on enrollment are referenced by academic leaders as guiding

principles, or rules, that helped narrow down alternative in the decision making process.

- Rules breed more rules. (Weber, 1978; March, Schultz & Zhou, 2000)

Weber (1978) observed that rules are proliferating organisms that reproduce for a variety

of reasons including the increasing complexity of organizations. At Middle College this

is evident in the relationship between the Integrated Financial plan and the Strategic

Response plan. The Integrated Financial plan preceded the Strategic Response plan and

represented a set of rules and guidelines that helped Middle College respond the effects

of the 2008 economic downturn. The Strategic Response plan is described as a second

phase of planning, which established additional rules that helped the College recover

from the post-2008 effects on higher education. Academic leaders describe this

proliferation as a result of the strategic planning process, particularly as it relates to

operating procedures of the Board of Trustees which shifted as a result of these decisions.

- Rules carry the lessons of institutional history.

The final characteristic of a reliance on rules within organizations is that rules serve as

depositories of history (March, Schultz & Zhou, 2000, p. 16). Academic leaders

referenced routines that permeated almost every level of the institution and often rose to

the level of behaviors that aligned with the institutional identity. For example, Mike,

references curricular routines, "The curriculum review is something that happens, it's

supposed to happen, pretty regularly." Sam, referenced rules in routines associate with

governance and shared, "Middle, to its great credit, has excellent governance. The

protocols around terms and feedback and rotation of assignments and the care and who's

brought on board, it's really good. Having mentors and onboarding, it's really good."

Greg also summarizes the process of adopting major as a set of subroutines, and says,

> "The established process would be either come out of one department, one
>
> or more departments and having faculty starting to create a proposal. I
>
> imagine that then goes to those departments that give it the green light and
>
> then, it needs to go ... faculty legislation, it explains there. I think, that you
>
> have to present it, one or two meetings before you vote for discussion and
>
> then it goes to the vote."

 Rules which established roles, behaviors, responses to crisis were tied to previous

moments of vulnerability or threats of bygone eras in the in the institutional history.

Faculty and administrators' roles in a crisis were coded into the institutional fabric.

Processes for adopting a new major reflected former processes and adjusted to account

for the new environment. Previous curricular reviews produces the policies and

procedures that dictated the process for the adoption of this major. Understanding the

new crisis reflected an organizational learning process tied to the college's institutional

story of adaptation transformation and survival, which demonstrated the ability of rules to

hold institutional memory.

Rules established throughout the history of the colleges adaptation and

transformation are embedded in the institutional stories and reflected by academic leaders

throughout the interview process.   Participants in the study referred to college routines as

established practices that respected existing power dynamics, seniority, position, history and role at the college. The decision making processes organized by the college seemed embedded in the institutional fabric, primarily among Middle College faculty. Rules reflected guiding principles or took the form of a rigid timeline and may have provided a sense of certainty, or predictability, in an uncertain time according to academic leaders interviewed.

<div align="center">Decision Making Processes</div>

The question "How did Middle College adopt a business major in 2013?" is addressed in accounts of a complex organizational decision making moment at Middle College. The decision to adopt a business major was further complicated by the observation that two consecutive but distinct decisions, and decision making processes, were required in order to fully adopt a new major at the college. The first decision making process resulted in the creation the Middle College Strategic Response Plan within which the business major is identified as a primary academic option. The decision to include the business major in the strategic plan served as the precipitating event for the second decision making process. The second decision making process examined here is the decision by the faculty to explore, build and ultimately vote on a business major. In this section the elements of decision making will guide the analysis of this process. It will identify the elements of decision making that guided and affected the development of the Middle College Strategic Response Plan, which was developed in academic year 2011-2012, and presented to the community in September of 2012.

The following sections describe the two distinct decision making processes at Middle College from which the business major emerged as a new addition to the

curriculum. The processes that emerged were characterized quite differently by academic leaders and this analysis of the processes and procedures serve to elucidate decision making in this important period. The processes below are analyzed using the elements of decision making as described in the research methodology.

Decision Process #1

Development of Strategic Response Plan

The previous timelines, shared earlier in this section, depict the chronology of events that followed the 2008 downturn. The highlighted section identifies the decision events and the period throughout which the Strategic Response Plan is created and implemented. This represents the first set of decisions from which the business major emerges as an academic option. A partial timeline was shared with academic leaders to help ground the conversation and the time period, as well as to set a context for the decision making processes they were reconstructing.

Senior administrative leaders noted that the decision making process for the development of the strategic plan began following a retreat of the Board of Trustees in 2009. At that time, both faculty and administrative leaders began to understand the landscape of what the 2008 downturn meant for the college and began the strategic planning process that would guide the college's response to the crisis. The College implemented a short-term approach called the Integrated Financial Plan that focused on completing the new academic building, determining the faculty salary plan, and improving financial aid. The effects of the downturn continued to impact the college's finances and conversations about the new Strategic Response Plan began. A full draft of the plan was completed by January 2012. The seven drivers of the plan included:

1. Increased revenue - *maximize net student revenue*
2. Cost reductions and controls - *find permanent cost reductions and introduce new cost controls*
3. Marketing - *brand and improve our marketing*
4. Technology in teaching and learning - *explore online and digital scholarship opportunities*
5. Athletics - *optimize athletic offerings for the best student draw*
6. Career Services - *rebrand and reenergize the Career Center*
7. Increased management/business offerings - *Enhance business minor and expand business/nonprofit programming*

Both faculty and administrative leaders described the development of the Strategic Response Plan as administratively driven and informed by data provided by consultants and researchers. Marsha, a senior administrator stated, recalling the response of one consultant, "Our male students, when they go to your website, they put business in, if they don't see business they're gone, they don't look any further…business is one of the areas we need." Marsha closed by sharing, "The way he stated it really got their attention." Marsha also recalls an administrator sharing admissions data which supported the proposal for a new business major. She stated, "[Admissions] says that we would be more successful at yielding male students if we had a business major." Finally, Marsha reflected on the board's influence on the development of the plan from which the business major emerges and said, "The board basically said, 'You need to find a way. Come back to us in the fall with a strategy to bring in more net revenue'."

At an institution that values collaboration, partnership, shared governance and rules and routines, faculty leaders described a process of which they had very little knowledge and over which had little to no influence. Faculty recall being surprised by the full plan although they acknowledged being aware of obvious measures like increasing

revenue, cost reductions, and the business minor. One senior faculty leader shared

surprise at the outcome of a decision making process that he was unaware was

happening. He stated during our interview:

> "We were surprised that this was done without any faculty input. That this
>
> was just handed to us by administration. And worked on by the
>
> administration. And not that any of these were terrible ideas, it's just it
>
> didn't have any faculty input. A lot of these were curricular. This was
>
> something that we were supposed to take charge of as faculty, and it
>
> seemed as though [they] were the ones driving the bus."

When probed about what made this decision making process different, academic leaders

agreed that the change in procedures was likely due to the level of crisis that the

institution was facing. Faculty leaders said that they would have wanted to know more

but acknowledged that the crisis required that leaders act quickly, and that decisions may

have needed to be more top-down. Administrative leaders described a crisis and a

confluence of factors that made it necessary for the administration to respond decisively,

to comb through alternatives, and to consider all options. Bobby, a faculty member

shared that, "There seemed to be a circling of the wagons on an administrative level that

all at once it seemed as though faculty participation…was not asked for…" Jan shared,

"I think when there's a crisis situation, that's a time when top-down decision-making can

be pretty effective. But when it's not that crisis situation I think it's better to have less top-

down decision-making." Sam, characterized the period and the interaction between

senior administrators in the following way, "There was a period where, I think we were

on the phone together every week. It was awful. On the other hand, these circumstances

are so difficult… We felt responsible and enormous pressure, and ultimately, that group of us said 'this is it'." The elements of the decision making processes that emerged are described and analyzed in the following section.

Elements of Decision Making

Identification of the Problem: "Enrollment and Revenue Crisis"

For academic leaders, environmental uncertainty, vulnerability in enrollment, constrained financial resources, and limited revenue sources characterized the "new normal" in higher education and defined the problem at Middle College. According to all academic leaders interviewed, the administration identified increased competition for enrollment, endowment losses, and the impact of the economy on students and families, as revenue challenges at Liberal Arts Colleges. According to participants this represented a crisis in higher education and an uncertain time for Middle College.

Administrative leaders referenced the Board of Trustees, the President, Provost, Chief Enrollment Officer, and Treasurer as primarily involved in framing, describing and educating the community about the crisis. Combined, these created a sense of vulnerability, distress, and competitive disadvantage in the market that required the college to act in order to identify and pursue a sustainable way forward. Academic leaders announced to the community, through publications, open meetings, and letters to constituent groups that the 2008 economic crisis required Middle College to adapt and change, but that in doing so, that the College would preserve the core mission and commitment to the liberal arts.

Academic leaders believed that Middle College faced a crisis that required them to innovate further. The October 2012 publication of the Strategic Plan states, "…it is

clear that we must do more to ensure that Middle [College] stands out in a fiercely competitive marketplace in which many other institutions face similar difficulties." A senior administrative leader, Sam, characterized the time period in the following way. "These are very difficult and complicated environments, but the trick often is facing reality." He recalled stating that Middle College's greatest strength in this time would be its historic experience with change; Middle College has a long history of self-transformation. Academic leaders identified the problem as surviving the crisis while preserving the mission, increasing enrollment, and enhancing revenue.

Reflecting on the college's history of transformation over the last century, Alice summarized thoughtfully but candidly, "…We didn't do it for any idealistic reason. We did it because we wanted to survive. End of story." The history of middle-tier colleges is replete with examples of agile, responsive, and adaptive institutions that have survived environmental uncertainty and change (Brenneman, 1991). Middle College is a representative example of that long history.

Understanding the Problem: Data Resources and Organizational Learning at Middle College

The development of the Strategic Response Plan at Middle College began in conversations between the Board of Trustees and the President's cabinet about the scope of the problem. Throughout this time there was significant organizational learning happening across the college but particularly among the Board and the faculty.   As the 2008 downturn began administrative leaders described being attune to the problems through national media, conversation amongst each other and through their professional and personal lives. Sam, a senior administrative leader, framed the problem as higher

education operating on high levels of fixed costs and limited, and now threatened, revenue streams, which could produce budget deficits. Typically, revenue streams in higher education include enrollment, annual donations, and endowment spending. According to Carol, a senior administrative leader, Middle College's revenue was threatened, like that of other colleges, by three factors. She shared, "Sustainability, and I mean that in the broadest sense. Is the model that Middle is working with financially really going to sustain it?...Another that we spent a lot of time on had to do with reach and reputation…How in the world are we really going to get this message out?...I would say the third thing that we were wrestling with were the limits of fundraising…" Additionally, families were less able to afford a private college tuition; endowment losses resulted in smaller operating budgets; and a decrease in donations. Carol shared, regarding fundraising, "What were the prospects? How often can you go to the well?" National media continued to frame the time period as a crisis from which the country would slowly emerge and institutions would necessarily be on the same trajectory. According to all academic leaders interviewed in the study, the college leaders were aware of what was happening and were considering the implications for the college. In sum, the college was facing a financial crisis in which revenue from the endowment and enrollment would lag behind expenses in the short term. The college came to understand the problem using a variety of strategies including: (1) relying on internal resources for perspective and information; (2) mining external resources for data and alternatives; and (3) closely watching other comparable institutions and financial markets.

According to several academic leaders, internal resources at the college in this respect refer to two primary groups, the Board of Trustees and the President's cabinet

comprised of the Vice-Presidents of each division, the Communications Director and the Assistant to the President. Academic leaders, as mentioned previously, shared that the strategic planning process was dominated by administrators and did not manifest a collaborative approach. However, this is somewhat disputed by the collection of alternatives that emerged from the plan, some of which faculty concur had been at least partly discussed in faculty committees. In reference to both the nursing and engineering programs, Alice stated, "Those are the two that always come up." Administrative leaders described the strategic planning process as a collaborative effort between the members of the Board of Trustees and the President's cabinet of divisional leaders. Peter explained, "I think any time that there is a big issue that arises on a campus, the executive committee really becomes the group that deals most closely with the President and then ultimately with the President's Cabinet. So, we began to work a lot more closely with the executive committee."

College leaders turned first to internal strengths to help meet the challenge. Understanding the problem required expertise which was fortunately available in the cabinet. Academic leaders shared that the college benefitted first from two long-serving Vice-Presidents in Finance and Enrollment respectively. Both of these internal leaders combined an internal perspective on Middle College realities with deep knowledge, experience, and connections in their respective fields, notably financial. These leaders played important roles in creating a clear understanding what was happening in higher education, how it would impact the college, and what resources and options the college would have relative to its reputation and financial capacity to weather the 2008 storm.

Academic leaders especially praised Middle College's talented Vice-President of Enrollment. Academic leaders described the Vice President for Enrollment as, "A person who really knew, who had been at this for a while and really had a good understanding of how Middle had expanded and really enhanced its reputation, and now what was likely to happen." In discussing strengths in that time period at Middle College a senior administrator also shared, "I think leadership - that a number of people on the President's Council had long experience in their jobs and really understood. I think of both the finance person and the Vice President for Enrollment, [as people] who really knew things."

In the midst of a financial crisis, then, internal leadership with strong financial backgrounds brought clarity to the financial picture, and became instrumental in mapping a realistic way forward, including projections that were drawn up and shared with the community. Senior leaders also pointed out how long standing Vice-Presidents had provided needed deep familiarity with Middle College, its competition, and its local and regional market that could not be replicated by consultants or reflected appropriately in the data.

Academic leaders also identified internal resources within the Board of Trustees that proved critical to traversing the difficult period. Administrative leaders Carol and Sam described Middle College's Board of Trustees as having approximately 28 members - made up of alumni, business and academic leaders, scholars, and others. Among them were, Richard, a notable senior scholar in higher education and Mary, a very experienced and respected university president. Richard and Mary were credited with providing additional broad perspective on higher education. Administrative leaders shared that this

was important because members of Boards often do not understand complex higher-education structures including tenure, restricted funds, and shared governance. Carol described Richard in the following way,

> "He talked to us about sustainability at large, and actually was very reaffirming... Essentially, these are my words, not his, but we could talk about disruptions in the environment, and all the common, busy language that goes on, but it's going to take a lot to knock this place off its pedestal. These places have a weight, and a heft that insulates them and protects them. Doesn't mean that they don't go through hard times, but actually, it was very reassuring at a time when we felt very unsettled. Very, very unsettled."

Besides the two members already mentioned, the Board included several finance and investment leaders, including the Presidents of a major bank and a prominent real estate development firm. Insights from these professionals helped the Board and the cabinet to understand and explain the crisis. Experienced Board leaders, including those who had served several consecutive terms, provided a realistic backdrop for addressing the crisis and a relative perspective on it that at times helped reduce the level of uncertainty.

Administrative leaders confirmed that at the beginning of the crisis, Board leadership on the Executive Committee, experienced administrators, and individuals within the Board at large, collaborated to provide a balanced perspective on, and assessment of, the level of threat. Although it was evident that the current financial model for tuition-dependent colleges was unsustainable in the long term, the sense that this was

an imminent existential threat was balanced by a longer view of higher education and by

clarity about the college's history with and ability to respond to crisis.

Administrative leaders also relied on external resources for data to help

understand the problem. Although internal sources of data were sufficient to frame and

understand the problem on the financial level, enrollment projections required additional

support from data analytics professionals with whom the college contracted.

Administrative leaders recalled that two firms were employed to help understand two

distinct facets of the enrollment picture at Middle College. One group, the Data Analytics

Company (DAC), provided data analysis on all applicants to Middle College over the last

decade. This information identified demographic and socioeconomic data for students

who enrolled as well as those who did not enroll at the College. This information helped

Middle College leaders determine where they could target admissions efforts in response

to the crisis. Administrative leaders collected data in addition to making presentations to

the faculty and the board about both strengths and weaknesses of the applicant pool.

Among other things, the DAC identified "men interested in majoring in business" as a

group that applied to but did not matriculate from the college in significant numbers.

Carol recalled, "…we had some research from the admitted students questionnaires, and

from work by that point in time, and maybe I can confirm this for you, maybe we were

working with Data Analytics Company. We had them do a study also on levels of

program interest. Business was right there. And we didn't offer it." Carol continued and

described the interest within segments of the applicant pool. She stated, "It was also very

clear that there were boys that were interested in business, so if you really wanted to

think about building the male part of the applicant pool and keeping that robust, it would

speak to that. It would help with the recruitment of student athletes." Both anecdotal and

admissions data also suggested that students interested in business represented a

significant percentage of those who inquired about Middle College but did not ultimately

apply. Peter recalled, "The other thing we were finding ... and this always shocked me ...

that students who had already made the decision to come to Middle would tell you they

were going to major in business before there was a business major. So we knew that it

was of importance…and the consultant said the single biggest thing we could do to

expand the funnel of students interested in Middle had to be to have more options in

business..."

A second company, the College Admissions Consulting Group, helped Middle

College better understand the present-day market for students. According to one

administrative leader, this information was not new but was more detailed than what the

college had at its disposal. The information was specific to the "funnel" of student

enrollment, described by administrative leaders as an analysis of the numbers of students

who were most likely to apply and enroll at Middle College. The entry to the funnel, the

widest point, included all students interested in going to college. The funnel narrowed as

the company identified the number of potential students interested in attending a small

college. The funnel further narrowed to represent those who would be interested in a

liberal arts college, those who want to be in the particular region, can afford the

education, and several other variables. Once that analysis was complete, Middle College

had a set of targets in the admissions process that might yield a larger number of students

based on these data. Coupled with the internal expertise and decades of experience, the

college was armed with information on which to base enrollment planning through the strategic plan.

The third strategy by which the college came to understand the problem was through surveillance of other institutions and financial markets. Academic leaders reported that having connections with colleagues in the region served as a valuable resource. One administrative leader shared that, "…there really were two groups and the more formal consulting arrangement was around enrollment…The others…were researchers that we needed…they were simply gathering data and were a sounding board, if you will, but they did not bring us the ideas. So, we generated the ideas through listening to the community, through talking to one another, through the board, reading what other schools were doing, through having our antennae out, if you will." Administrative leaders frequently mentioned their recurring conversations with higher education colleagues from across the region, or across the country, who provided valuable perspective on how other colleges were facing these challenges. As administrative leaders they began to understand their particular challenges at Middle College; information from other colleges also provided academic leaders with normalizing perspectives.

It seemed important among academic leaders to confirm that all of American higher education was facing similar effects as a result of the downturn, and that Middle College was not disproportionately affected. Peter confirmed, "…there was an enrollment consultancy that really worked on that issue, tried to help us, for example, around the masters and things like that. But they were a different kind of consulting firm that was really focused on digging into our enrollment."

Administrative leaders reported attending meetings of the Annapolis Group and consulting with members of the college's regional reference group, the Anaheim Group, in order to gain insight into what paths other colleges might be pursuing. The Annapolis Group is comprised of 130 leading national independent liberal arts colleges; it provides a forum for member institutions to share best practices, network, and learn from one another (https://www.annapolisgroup.org/).

One administrative leader recounted it in the following way:

"We generated the ideas through listening to the community, through talking to one another, through the Board reading what other schools were doing, through having our antennae out, if you will–many people who are in a tier above you, but a lot of people in your own tier, so those groups were starting to talk about these issues, too. As we would think about some strategic options sometimes I had been part of those conversations at some national group or I had friends that I would call up and I would say, 'How are you guys handling it?' At this point, there were a lot of schools like us who were making financial decisions."

Monitoring financial markets was also crucial to reading the external environment by Middle College leaders. Several academic leaders confirmed that the Financial Vice-President became a very important voice in helping to determine the financial uncertainty that the markets created for campuses. Mike, an administrator, shared that, "I think, a strength at that time was [the vice president for finance], without a doubt. We weathered it about as well as we could have, in part, because [he], I think, understood his role in a different way, in an important way." Academic leaders also recalled that when Middle

College was on the verge of starting construction on a new academic building, this required careful financial planning. Board members with professional lives in finance and real estate also became important voices in helping to understand the downturn and its implications for Middle College in a period that lasted from 2008 through 2010. Sam reflected on the construction of the new academic building and shared that, "…the two people who deserve a big deal of credit, Robert and Tim, who's on the board-[he] knows real estate and said to the faculty…This is actually the time. If we're going to do it, let's do it now."

The Decision Making Process – Guiding Principles in the New Normal

The reliance on rules, routines and embedded organizational behavior to guide decision making emerged as one of three major themes in this study. It also represents one of the elements of decision making by which this process will be understood and evaluated. *Decision rules* refers to the guiding principles, expectations, and routines that guide decision making at the institution. Rules and practices can emerge from leadership, from historical lessons, or from the development of formal guidance or lessons learned. Four decision rules appeared to guide the strategic planning process. Those rules or guidelines helped produce the seven drivers that comprised the Middle College Strategic Response Plan in 2012.

The decision making rules that appeared to be in place were tied to both urgency and vulnerability. Administrative leaders found it difficult to identify or articulate established protocols, processes, or patterns that guided decision making in the strategic planning process. However, analysis of the interview data produced four guiding principles that served as the framework for this process. Academic leaders involved

identified them as follows: (1) collaboration between the cabinet and the Board; (2) a

discrete focus on revenue and enrollment; (3) a commitment to data-based decision

making, including surveillance of competing institutions; and (4) adhering to a timeline

that would produce an actionable plan by the opening of the school year. The process

was open to cabinet members and members of the Board of Trustees. It took place in a

compressed time period between May and August of 2012 and was focused on

enrollment, cost savings, and revenue generation and enrollment.

Academic leaders describe the process as *collaboration* between Board members

and cabinet members, with cabinet members taking the lead on investigating the

alternatives that lay in their particular areas of expertise. Peter recalled, "So, we began to

work a lot more closely with the executive committee. Then as the plan was created, a

separate committee was created of a few board members to work with a smaller group of

President's cabinet …which then went out and informed to the rest of the President's

cabinet and the board. So there was a lot of back and forth." Cabinet members worked

through the summer and met weekly, providing reports to the Board when appropriate;

individual Board members were assigned to the appropriate cabinet members as a

resource throughout the summer. Administrative leaders reported Board support for the

hiring of researchers and consultants to gather and analyze data on the proposed

alternatives. Cabinet members reported meeting on a weekly basis throughout entire

summer, either in person or virtually, as they reported progress on 17 strategic options.

Board members who were part of the Executive Committee took responsibility for

continuing to update the full Board regularly. Administrative leaders described greater

contact with Board members throughout this time period, primarily due to their fiduciary

responsibility to the college. Board and cabinet members benefitted from increased communication at points throughout the summer as markets adjusted, enrollment projections fluctuated, and plans iterated. This relationship also paved the way for organizational learning between the Board and the faculty that would prove beneficial in the long term and would continue to manifest Middle College's collaborative identity.

A discrete focus on enrollment and revenue served a second decision rule that guided this process. As enrollment projections fluctuated throughout the spring, administrative leaders, in consultation with the enrollment staff, determined that the business minor marketed in the 2012 recruitment cycle was not going to impact enrollment significantly and that more academic options should be considered. Administrative leaders shared that engineering, nursing, the business major, and Master's programs emerged as the programmatic direction the plan would explore. Administrative leaders report that they used enormous amount of data to understand the impact of these additional academic options on enrollment and revenue. Faculty leaders report that earlier conversations about Master's programs continued throughout this period.

Administrative leaders confirm that that, given the qualitative data compiled about the viability and marketability of a business major, that this was the most viable academic option to pursue. Carol summarized it in the following way, "We had them do a study on levels of program interest. Business was right there. And we didn't offer it, and when you added that to my anecdotal reporting that we were missing opportunities [and other schools] have long had business programs, why couldn't we?" Carol went on to say, "It got traction, I think based on the empirical evidence. We had the minor. I think we had a couple of key faculty…who were willing to be supportive of it.   We persuaded

enough people that [other good Liberal Arts Colleges] were not, you know, thought of as alien creatures because they offered business." Administrative leaders collected ample data, reporting that 20% of undergraduates are business majors nationwide and that the largest proportion of students who did not matriculate through the college were interested in studying business. Administrative leaders also confirmed that cabinet members studied the programmatic efforts and responses of all other area liberal arts colleges to compare Middle College strategies with what was happening there. This surveillance of other colleges emerged as an ongoing practice throughout the crisis.

Alternatives

Academic leaders reviewed 17 alternatives for the Strategic Response Plan. The table below lists all of the alternatives suggested. The highlighted alternatives represent the academic program options that were considered at the time.

Table 8: Strategic Response Plan Options

Strategic Options for Consideration	Recommendation
Increase international recruitment	Immediate action
Establish a Business major	Immediate action
Develop Masters programs	Immediate action
Expand summer programs	Immediate action
Publicize three-year option	High priority
Expand internship program	High priority
Develop a community music school	High priority
Launch online/blended learning programs	High priority
Seek partnership opportunities	Additional review
Sell non-strategic real estate assets	Additional review
Increase the student faculty ratio	Additional review
Reduce tuition to change market position	No action
Become less selective	No action
Seek mergers and acquisitions	No action
Establish an early college high school	No action
Market study abroad programs	No action
Add nursing and engineering	No action

A document including all the alternatives was shared with academic leaders during the interview process. Faculty leaders reported recognizing many or all of the alternatives and recalled that some faculty members were involved in conversations about each of the academic options, including enhancing the business offerings, although there was no discussion of a major. Administrative leaders agreed with this characterization of the process and confirmed that some but not all faculty members were involved in discussions about various academic program options. This document highlighted a point of discrepancy in their expectations of the decision- making process, centered on the way in which faculty were consulted during this period. Faculty leaders alluded to the absence of formal presentations at the open faculty meetings or of broad and inclusive communication about academic options. Both faculty and administrative leaders agreed that faculty having knowledge about these options would have depended on their positions at the college with respect to committee membership, professional expertise, or assigned role. Academic leaders agreed that faculty members on existing committees would have had access to some of this information, although the majority of the faculty would not. Administrative leaders added that including faculty members in committees was an established practice in shared governance and that it was the administration's expectation that faculty would carry information back to constituents in department meetings and other settings. Some academic leaders would have preferred a thorough airing of each academic option formally before the faculty. However, the circumstances surrounding the downturn and the sense of urgency reported by institutional leaders seemed to result in a process that did not in all instanced emulate the established and collaborative practices to which the college had become accustomed.

Evaluation of Alternatives

Each of the 17 alternatives was individually considered prior to determining which of these would emerge as a product of the Strategic Response Plan. Academic leaders identified three primary measures by which alternatives were evaluated. Proposed alternatives would be evaluated based on return on investment (ROI), which was normally referred to as getting a "bang for the buck." Additionally, each alternative should have the result of improving enrollment or increasing revenue. Finally, alternatives could not deviate significantly from the core liberal arts mission of the college.

The return on investment in the business major, characterized as the 'bang for the buck' was the most prominent factor in academic leaders' descriptions of why business emerged as the primary academic option in the Strategic Response Plan. One administrative leader shared, "You'd have to do a cost benefit analysis to say, 'Is it worth it for what we would have to upgrade and staff to bring in, say, a nursing program or an engineering program versus a business program or communications program?' There were an awful lot of things that were considered that never made it onto the … plan, because they were either too costly or they weren't going to make enough of a difference." Academic leaders connected this concept to four additional factors that brought clarity to the decision making moment from which the business major emerged. They stated that the college already had a "foothold in business," referring to existing commitments and programs that demonstrated a willingness and ability to succeed in this area. In comparison with suggested programs like Engineering and Nursing, one faculty member responded by saying, "Those are programs that, again, I don't think faculty took

seriously. That is in stark contrast with the business major, which doesn't cost anything like that and also had a good bench strength already on the faculty in the form of some excellent people from our Economics Department." Cindy, another faculty leader, shared, "…we had an already existing emphasis on experiential learning…fed and reinforced by the work of [faculty], who had led our Washington internship program. We also already had a business minor and… classes in accounting, for example…" Jan also shared that "…the enhanced minor in business was prepared to launch in the fall of 2012." Middle College also recognized that they possessed the internal resources on the faculty and through a small number of adjuncts to support a robust business minor. They viewed this as moving them closer to supporting a business major without the investments in faculty and facilities that it would take mount the other proposed majors in nursing and engineering**.**

The perceived foothold in business also extended to other areas of the college**.** Administrative leaders noted that internships were an integral part of a successful business major, and the college had established a strong internship program and the planned to continue to enhance it through the Strategic Response Plan. New courses in Social Entrepreneurship, existing credit-bearing business and government internships in Washington, DC also contributed to the sense of that the college had existing partnerships, programs and experience in areas related to the proposed major in business.

The expression 'bang for the buck' specifically refers to the lowest investment for the highest return. One administrative leaders said, "You'd have to do a cost benefit analysis to say, "Is it worth it for what we would have to upgrade and staff to bring in [a new program]…"

Given existing faculty resources, the business major could be mounted with the fewest faculty hires. Although the major was projected to require three new faculty lines as the program developed, college leadership concluded that it could launch the major with only one additional full-time line to help establish the program, with the addition of some adjunct help prior to introducing the additional lines.

Another important decision rule was that the process would be keenly focused on increasing enrollment and revenue, as well as on controlling costs, so that the ROI would be significant. Academic alternatives that seemed potentially viable, including Engineering and Nursing, were deemed to require more faculty hires in addition to classroom and lab spaces that did not exist at the college. Academic leaders on both the faculty and administration concurred that a Nursing program would require a costly affiliation with an area hospital, in addition to unique facilities needs that were expensive and difficult to mount within the existing footprint of the college. Similarly, an Engineering major would have required additional faculty lines and lab and facilities space in which the college was unwilling to invest.

Some academic leaders described the nursing and engineering options "dead on arrival," recognizing that the necessary investments in faculty and facilities would be outside of the college's reach. A senior faculty leaders described the challenges of mounting these programs. She said,

> The problem with nursing and the problem with engineering is twofold. The first is that they're both expensive programs that require whole new faculties in some regards and lots of equipment. Where are you going to keep the cadavers for a nursing program?...The other component of that is

that there are very good nursing schools and there are very good

engineering schools. Do you want to really jump into that arena …?

It is important at this point to note that the cost of mounting the Nursing or Engineering programs was not evaluated in isolation. Each program was also evaluated on its ability to increase enrollment or revenue. Although the Middle College applicant pool contained a significant percentage of students interested in health related-careers, the existence of other strong programs in the region, coupled with projected costs, meant that Nursing would neither raise enrollment significantly nor add revenue to the college. This resulted in the elimination of Nursing as an academic option.

The Engineering major faced a different challenge based on information from both academic leaders and data provided in the research consultants' final report on academic programs. Like nursing, engineering was considered too costly. In addition, the college's existing engineering dual-degree programs were not especially active, and students were not requesting more engineering options within the curriculum. Moreover, there was no demonstrated demand in the applicant pool for an engineering program.

Offering Master's programs was the final academic option considered in conversation with several academic departments. Master's programs did not prevail for several reasons. First, Middle College is located in a region with several universities with strong graduate level programs. College leaders determined that for many program options it would be at a competitive disadvantage. Second, given the college's relative inexperience with graduate programs, administrators determined with the help of data that any new program would be necessarily small and would not make an appreciable

difference in the college's enrollment to offset the associated operational costs. Alice

described the challenges in the following way,

> "We reviewed the Master's Programs that are extant at some of the other
>
> colleges in [the area]…One of the things that seemed to jump out was that
>
> it was cost ineffective. It was anything but a revenue enhancement. I took
>
> faculty away from courses to work with very few students who weren't
>
> really paying that much more into the college. It seemed like it was a very
>
> tepid kind of response to the financial situation and a very risky one in
>
> some ways. Because, one of things that was raised…was we don't have
>
> very many departments that have the bench strength to really support a
>
> Master's Degree."

Although faculty leaders reported interest in mounting small Master's programs,

administrators recognized that there was limited capacity to mount a Master's program

that would be especially distinctive and attractive to new students.

As noted, the College's decision making process also adhered to a very strict

timeline, and academic leaders reflected this as a sense of urgency in the process. Plan

development was expected to be completed by the end of summer, at the expense of

vacation and personal time. Senior administrative leaders reported regretting having to

implement stringent time constraints and "taking away the administrations' summer" but

added that "we felt responsible and we felt enormous pressure..." from the crisis

situation. Faculty leaders also reported a sense of pressure and urgency at the college

during this time. Academic leaders understood that the downturn had immediate impact

on revenue and enrollment, so solutions were expected to immediately counterbalance those effects if possible.

The outcome of this decision making process was the development the Middle College Strategic Response Plan, which would drive and inform decision making for the foreseeable future. Academic leaders also identified a number of structural outcomes, rules and routines that were an outgrowth of this process. In addition to the Strategic Response Plan, academic leaders identified the organizational learning that took place as a tangible and necessary outcome of this decision making process. They recognized the value of having the full faculty gain a deeper understanding of how Middle College is perceived, participates, and competes in the market so as to better understand decisions and planning. The education that the Board received regarding shared governance on a college campus was also very valuable. The President, Provost and Chairperson of the Board were mentioned by academic leaders as having orchestrated those important sets of interactions, conversations, and learning experiences.

Structural changes that emanated from this decision include the emergence of annual meetings between the faculty Committee on Economic Status and the Board of Trustees. These meetings keep the Board and the faculty connected in times both of prosperity and of financial crisis. Additionally, administrative leaders recognized the value of sharing information across the various committees of the Board in order to keep everyone engaged and informed. As a result, the Board has re-envisioned their own committee structure to help ensure greater collaboration, information sharing, and learning.

Summary of the Decision making Process for the Strategic Response

In summary, the Strategic Response Plan represented the first phase of decision making needed to implement the business major. That process was characterized by faculty leaders as "an administrative decision," an assessment affirmed by administrative leaders throughout the study. The President's cabinet, during the entire summer of 2012, engaged in an intensive research and strategic planning process that explored seventeen options, focused primarily on increasing revenue and enrollment. The administrative leaders who developed the plan depended on both internal and external resources, including outside researchers and consultants as well as members of the Board and administrative staff, to help determine the direction that the college would take. The process, which included members of the President's cabinet and members of the Board of Trustees as well as important roles for researchers and consultants, was atypical of decision making at Middle College, which is characterized as a collaborative culture where academic leaders "do things together." However, academic leaders distinguished this period from normal times and recognized it as a time of crisis whereby the nature of decision making at the college necessarily shifted. Jan reflected on the period in the following way, "It was a top-down decision. In the environment that we were in it was accepted because we didn't see any better alternative. Maybe in a different environment the decision might have been different…"

Engagement with academic leaders throughout the study demonstrated that Middle College had forged an institutional identity that values collaboration, innovation, sacrifice, and putting Middle College first. The named primary characteristics—collaboration, innovation, sacrifice, and survival—appeared to go beyond being mere

identity markers and to represent institutional values that drive both individual

and organizational behavior. Academic leaders spoke of these characteristics as both

'what we do' and 'who we are.'

In the strategic decision making process, academic leaders in part manifested

those values in their partnership with the Board of Trustees in this vulnerable period for

higher education and for Middle College in particular. Administrative leaders reported

major sacrifices in their time and in giving up a proportion of their own salaries. Many

grappled with painful cuts to positions and budgets, describing these as some of the most

difficult times they had faced in higher education. Faculty leaders, however, were

disappointed in the lack of collaboration and inclusion by the administration. Some

faculty attributed this lack of collaboration to the sense of urgency and crisis at Middle

College during this period. The crisis created an environment where time was essential,

variables and positions shifted quickly, and a vertical or hierarchical decision making

process emerged. Power and decision making were reflected in hierarchy, and

collaboration and shared governance suffered. Several academic leaders, including

faculty leaders, hence agreed that in times of crisis, top-down decision making is

necessary. Under normal circumstances, however, they felt that the existing governance

structures should be adhered to and respected. The actors in this decision making process,

nevertheless often aligned decisions with institutional values. For example, the Middle

College culture values people. Academic leaders reflected that the decision to preserve

staff positions by cutting budgets and administrative salaries at the senior level

demonstrated a level of commitment and sacrifice that manifested this value as part of the

fabric of the institution.

Organizational learning about the distinctly different responsibilities that academic leaders share at the college was an important observation in this study. Throughout the decision making process, administrative leaders chose to invest in educating the community, faculty included, on the shape and scope of the crisis and what it meant for Middle College. One senior leader noted that sharing as much information as the administration did risked shocking or paralyzing the community. However, another senior administrative leader shared that the group had decided that "more information is always better." They engaged in a process between the Board and the faculty that brought the Board a clearer understanding of college governance and provided the necessary higher-education, revenue, and enrollment perspectives to the faculty. According to one senior administrator, the faculty is now much better informed on issues of enrollment, recruitment, retention and marketing than they were previously. Sam shared, "… now the faculty get it completely on enrollment and retention and they are deeply involved and they work closely with the vice president…That's structurally different [than] before." He continued and reflected on the faculty's involvement in the financial future of the college, "I think what it is is an example of good shared governance. I remember [the president] recommending bringing the finance committee of the faculty…And now it's a staple. It's done all the time."

The perspectives and examples shared by academic leaders, as they relate to this decision making process, reflect a sense that decision making in a crisis is pressured, rushed, and imperfect. The 2008 economic downturn was a lesson in crisis management and decision making that produced necessary organizational learning that socialized the college community to the "new normal' in higher education.

Decision Process #2

The Faculty's Adoption of the Business Major

The decision making process that administrative leaders engaged in during the summer of 2012 resulted in the inclusion of the business major as one of the seven drivers of the Middle College Strategic Response Plan. However, including the major in the Plan was not sufficient for its adoption. In the following section, the elements of decision making will be explored in analyzing the process by which the business major was successfully adopted by faculty vote on March 1, 2013. According to academic leaders, the environmental and organizational contexts explored earlier in this study remain relevant for this decision as well.

The fall 2012 semester opened with the announcement and presentation of the Middle College Strategic Response Plan. Drafts of the administration's prepared comments for that meeting indicated that the College had successfully cut expenditures and implemented other cost savings, had increased efforts to boost enrollment, and had advanced several necessary measures proposed through the Integrated Financial Plan. At the time, administrative leaders reported that the college needed to do more to achieve financial equilibrium and continue to support enrollment growth.

This analysis of the elements of the faculty decision making process represents the final phase of how Middle College adopted the business major in 2013 and the relevant concepts that emerged from the analysis of documents and interview data. The elements include: identifying and understanding the problem; describing the decision

making process, including decision rules, identifying actors and alternatives, evaluating

of the alternatives and identifying the outcomes of the decision (March, 1994)**.**

 Elements of Decision Making

Identification of the Problem

The inclusion of the business major as an option in the Strategic Plan posed a set

of process challenges for Middle College leaders**.** The curriculum is within the sole

purview of the faculty. Therefore, any additions or changes to it must be faculty-initiated,

and the adoption of the changes must comport with Middle College faculty legislation

relevant to the particular proposed change**.** Yet administrative leaders had proposed a

business major within the Strategic Response Plan without faculty input or support**.** The

second issue concerns the choice of a professional major that lies outside of the

traditional liberal arts core**.** Dating back as far as the Yale Report (1828), Liberal Arts

Colleges have resisted the professionalization of the curriculum, and academic leaders at

Middle College recognized that their faculty had considered "business" to be inconsistent

with the institutional character–with "what we do" or "who we are." In process terms,

therefore, Middle College administrators had proposed a strategic option that they

themselves could not, by practice or policy, implement without the support of the faculty.

In values terms, administrative leaders were supporting an option that was out

of alignment with the core values and academic history of the institution.

Understanding the problem

Administrative leaders acknowledged the conflict immediately and went into the fall

semester aware of the obvious challenges. One administrator recalled that the academic

leaders immediately recognized that this option would have to be presented to the faculty

in order to determine whether they would adopt it as a faculty-led initiative. One administrator explained, "…so then it was a matter of trying to get the Board to understand that [administrators] couldn't simply say, "We will in the fall have a business major." It doesn't work that way, faculty are in charge of the curriculum...So we started the conversation presumably with these smaller groups, and then I can remember a faculty meeting where we talked about it." Peter reflected, "…the challenge, I think, for any campus, is to what extent are your leaders good at putting things into a wider context? Then, to what extent are the people on the campus able and willing to hear that? That's going to differ." As previously discussed, both faculty and administrative leaders characterized the situation as a discontinuity in the college decision making process.

Administrative leaders characterized the impetus to respond as a charge to address the effects of an economic crisis that had produced financial vulnerability and economic uncertainty. Peter recalled, "…what I recall is we felt very vulnerable because of the way the public was pulling back, and worried about whether a Liberal Arts college was a good investment." Mike, a faculty member stated that, "The board wanted … the college to do something to respond to the fiscal reality." Vulnerability and uncertainty were salient concepts that emerged throughout the study as a characterization of the environment and a reflection of the campus culture during the time period. One faculty member shared, "…what I'm remembering is that some of the financial projections were discussed in ways that said, "We're going to have this deficit. We're going to have this shortfall, kind of thing, going forward…And I think that along with all the realities of the financial crisis from no raises, to cuts and freezings and things, helped propel a greater urgency…" Another administrator characterized it this way, "I mean, we were talking about dire

stuff... But we just didn't have the money to make the difference. I think for the average person working at the college, they were worried about whether they were going to have a job…A lot of questions." However, it became apparent to administrative leaders that the faculty did not have the necessary context in order to fully appreciate the scope of the challenges. The data suggests that the faculty came to understand the problem from two threat perspectives; first as a threat to enrollment, and second as a threat to institutional identity and survival.

Senior administrative leaders recognized that the faculty needed to understand the full scope of the crisis for higher education and for liberal arts colleges like Middle College. They engaged in an information-sharing period that clarified the enrollment and retention situations. This level of organizational learning also emerged as an important concept in the study. According to several academic leaders, the faculty was coming to understand how the crisis was impacting different people at different levels of the institution and what options were truly available to the college. One senior academic leader reported an acknowledgement at the time that Middle College was undergoing rapid demographic change and recognized that the curriculum had to keep pace with it. He shared, "There's an evolving realization that Middle is changing pretty rapidly right now in the cultural demographic sense and in how our curriculum has to keep pace with it….We had to know what students potential college students were interested in, and we had to address that." It became clear to academic leaders that there was no enrollment silver bullet and that iterative change would be necessary. Accordingly, the college would propose a number of academic initiatives that attempted to address particular parts of the applicant pool. As noted above, data collected by the Admissions office and reports from

consultants indicated that male students were interested in business and that the college could keep that part of the applicant pool deeper by implementing programmatic changes that would make the college more attractive. Administrators recalled that data revealed that the business major would also be particular helpful in the recruitment of student athletes and male students, and that it could help undergraduate retention. As stated earlier by Carol, "It was also very clear that there were boys that were interested in business... It would help with the recruitment of student athletes." Another administrator characterized the value of data in the process. She stated,

> "…so that's where data became really useful, to be able to put some of that information in front of people and say, 'When we lose students, this is where we lose them.' Then you also come to realize that your enrollment people have all sorts of data that they ask applicants, both ones who eventually applied to Middle, including people who looked at Middle and didn't apply, that whole range. So, we began to really put data in front of people, and that was a big learning experience, I think, for everybody."

Armed with information of this kind, the faculty came to understand that the Middle College strategy, including programmatic changes like new majors, was tied directly to stabilizing enrollments and generating revenue over the long term.

An important theme that emerged throughout the interviews and analysis of the data was the theme of identity as a liberal arts college. The Middle College identity, the "who we are," was evident in the decision making, the rationalizations, and the historical perspectives of the college. Although Middle College has successfully emerged from several transitions throughout its history, the identity as a collaborative, "better than

good" liberal arts college remained an important theme. The faculty therefore grappled with the identity questions that emerged should a business major be adopted at the college. According to faculty leaders, the idea of creating a major in business had originally seemed unlikely. Faculty leaders considered it the first step in a negative transformation. Others referred to it as "the worst thing we could do as a college." Still others feared that it was a decision the college would come to regret because it would change the nature of the institution as it reflected their values; the business major was perceived as threatening institutional identity and uncharacteristic of Middle College. Academic leaders, however, invested in providing examples of what a business major could mean, in an effort to counter fears that arose from uncertainty. Faculty leaders reported learning that other institutions not unlike Middle College were exploring nearly all of the same alternatives as ones proposed, including academic program changes and revenue-generating options. Administrative leaders also surveyed other Liberal Arts Colleges and gathered data on those that had implemented business majors. The goal was to provide context to the conversation about competition for enrollment. In so doing, they gave faculty the chance to fully understand the impetus behind the proposal. One faculty member shared that it seemed that the college would explore everything that conceivably fit into what a liberal arts college could offer. A senior faculty member concluded that the business major seemed viable and ought to be feasible for this college. She conceded: "It seemed like we could live with it if done the right way. Which it seems like it was."

Another important theme that emerged was Middle College commitment to organizational learning. The business major conversation initiated organizational learning about enrollment, revenue, competition, and alternatives that turned out to be very

beneficial to Middle College leaders. It also reflected an investment in the collaborative

relationship that college leaders had come to appreciate. Organizational learning was

important for understanding the nuances of the downturn, the respective impacts of

particular alternatives, and the immense value of enrollment to the college during this

period. Consultants, administrative presentations, access to data, and a regular reviews of

the college's budget and financial standing provided opportunities for the faculty to see

the full picture. Academic leaders noted that the faculty's ability to get on board,

understand the challenges, and partner with the administration demonstrated a quality that

they have shown repeatedly throughout the College's history. For instance, one faculty

member shared his experience in the following way, "[Midle College] faculty and staff,

to some degree, do a bit more than lip-service around diversity…they're willing to lean in

and to show up, when the question gets posed in some way. Not everybody, of course,

but enough people where you might approach critical-mass." A faculty member reflected

on a unique tension between a collaborative instinct and the business major decision. He

said,

> "It's the odd piece to this more uniform and traditional, liberal
>
> arts…curriculum. Except for the fact that it was created by liberal arts
>
> faculty, because there were no business faculty involved in the creation of
>
> this…It produces, I think, a bit schizophrenia, or it forces people to check
>
> their instinctual desire to critique the business major, because it's, like ...
>
> 'We created it, actually'. Was it thrown all onto us? I mean, it was, but, we
>
> owned it, and then we made it…"

Senior administrative leaders also reflected on this time as a period in which the administration also learned more about faculty's uniquely collaborative nature.

Making the decision: Identity, values and decision rules at Middle College

Throughout the study, academic leaders described the college as relational in nature. Processes, progress, and the work of the college took place through personal interaction, and the culture reflected a sense that people within the community "get on board" to work together. It was also apparent in conversations that Middle College also operates within a classic organizational model of leadership and governance, characterized by an understood set of processes, rules, and standard operating procedures that help the organization achieve its goals.

Individual and group roles, as well as established routines emerged throughout the study as vital to organizational effectiveness and reflected the character of the institution. This finding is supported in organizational literature. March, Schultz and Zhoe (2000) describe rules as serving the function of maintaining a social system and improving the efficiency of teams. The following section will identify the rules, routines, processes, and standard operating procedures by which Middle College makes curricular decisions that guided the faculty's decision making process toward the establishment of a new major. Alongside formal rules and procedures, a set of routines guides group norms and behavior and reinforces institutional culture. Both the formal and informal ways in which the faculty and the curriculum are governed reflect institutional values of collaboration, collegiality, sacrifice, and innovation evident through conversations with academic leaders throughout the college.

The first challenge academic leaders faced was to acknowledge that a curricular proposal that emanated from the administration was out of step with process and protocol at Middle College. The second step was to determine whether the faculty would agree to explore the possibility of a business major. Academic leaders characterized this challenge very differently according to their institutional roles. Senior *administrative* leaders characterized the problem as "needing the faculty". Some *faculty* leaders, however, described it as an administrative mandate to implement a business major. Nonetheless, the college community's cultural inclination to collaborate and the values it supports around partnership and working together emerged in both formal informal ways throughout this process.

Although the initial decision to include the business major did not manifest the collaborative, partnering style in which the faculty had typically worked with the administration, the culture of collaboration around this second decision making process is evident in several ways, including the support and advice offered to administrative leaders throughout. Administrative leaders referenced several "offline" conversations and emails in which the faculty provided guidance and suggestions that would help the process continue to its desired conclusion. The first such outreach involved a faculty member indicating to an administrative leader that if the administration wanted this major proposal to have any chance of adoption, it must be led by a faculty committee (see Timelines, above). The faculty member suggested at the time that the administration should ask the faculty to create a committee to explore the business major and that the committee be comprised of faculty members who volunteered based on their interest. Administrative leaders identify this offline conversation as one of the most important for

a crucial reason: adherence to rules and processes in governance is cherished by Middle College faculty, and administrative leaders also understood that the college relies on legitimate processes in order to establish legitimate outcomes. Faculty and administrative leaders in this study noted that turning to the faculty to explore the major was not only wise, but also required. One senior administrator stated, "I'm sure there were some on the board who thought, "Write up a business major," and I'm quite sure that [the Provost] said, "Sorry. I've got to work that through the faculty. They own it and control it." Academic leaders believed that although the faculty was split on whether the decision to create a business major was an administrative mandate, the sense of urgency about the articulated crisis convinced many members that it required serious consideration. Academic leaders stated that the formation of a faculty committee that explored a business major had two main possible outcomes. The committee could determine either that a business major was not feasible at Middle College, and the proposal would die, or that a business major was feasible, causing the proposal to prevail in a faculty vote. A third outcome would be that the committee determined that a business major was feasible, but that the proposal failed in a faculty vote. In any case, the faculty as a body now had full control of the decision, as dictated by policy and practice. One faculty member, instrumental to the development of the major summarized the faculty options. He said, "… at least my attitude was one of … well let's see this, and let's figure out if we can create something that is fitting for us, right, for Middle College. And, my attitude also was…if it gets voted down then it gets voted down, there's nothing wrong with that. That's the people saying, 'We don't like this.' And that's okay. That's the prerogative of the faculty, and they can do that."

Although the impetus for the proposal was described as administratively driven by all participants, the process for considering and voting on it was consistent with the standard operation procedures, processes and routines accepted and published by the college. Academic leaders described rules and routines that were triggered throughout each stage of the process. They referenced faculty routines that helped to identify committee membership, governed information gathering, guided the formulation of a robust major, coordinated the gathering of feedback and establishing buy-in, organized the presentation, and facilitated the approval of the major. The following section briefly describes the rules, routines and standard operating procedures identified by academic leaders that guided the decision making process to its natural conclusion.

The establishment of the Ad Hoc Committee triggered a number of other routines and standard operating procedures in this important process. Selection of a committee chair was a collaboration between the Economics Department and the administration. The department identified and supported only one candidate. This person, Cindy, had a history of curricular innovation and a long- term institutional perspective and experience that garnered faculty trust. One faculty member reported that if the college wanted to create a business major that was acceptable to the faculty, that Cindy should chair that committee. She recalled, "It was critical that she be leader of it because, she had all of the background credentials in [the department] to be able to make the most effective use of that committee."

This reflected the community of trust established at the outset. Of course, the faculty could have selected someone who would ensure that the business major had less chance of succeeding. However, faculty leaders noted that the institutional identity as

collaborators who will sacrifice for the college produces a faculty that establishes integrity in a process and that puts the future of Middle College first. Sacrifice and love for Middle College are evident as contextual cues in this faculty decision making process as well. Additionally, important identity markers make their way into almost all decisions at the college. As an established practice, Middle College faculty committees are representative of the whole faculty, which resulted in a diverse and inclusive committee. Articulated goals served as the internal guide for the committee and also reflected institutional values and identity. The goals prioritized a commitment to curricular innovation balanced with preserving "who we are" as a liberal arts college.

The final report of the Ad Hoc Committee on the business major summarized the work they had accomplished. They reported that the committee looked at six similar colleges with which Middle College competes and shared some overlap in student applications in order to compare their approaches to the business major. The committee reported reading literature on the nature and future of business education, requesting information and perspectives from admissions professionals on what students are looking for in a liberal arts-oriented business major. They also talked with faculty and administrators from other colleges who had helped create a liberal arts-focused business major at their own institutions. Reports from the committee articulated the guiding principles which led the committee's work on the proposed major. These included:

1. The major should *"fit" Middle College* and be integrated into the larger curriculum.

2. The major should be *distinctive among Liberal Arts Colleges* and competitor schools.

3. The major should be *innovative and flexible* so that it can *respond to both current and future needs*.

Within these guidelines are embedded important identity markers that permeate Middle College decision making and behavior, establishing from the outset a set of prerequisites that would result in a major that will fit Middle College. "Distinctive among liberal arts colleges" reflects the college's sense of being "better than good." The use of "innovative and flexible" speaks to the college history and identity as innovators in curriculum. Finally, "*responding to both current and future needs*" can be taken as a reference to surviving. A commitment to the liberal arts college core identity, better than good, innovative, and a survivor are all identity markers that emerged as important building blocks of the institutional identity.

Academic leaders identified the following decision rules as the accepted process for considering a new major: 1) the submission of a faculty-generated proposal that includes the description of the major, including requirements and courses; 2) discussion by the Curricular Policy Committee; 3) feedback from both the committee and the faculty; 4) two separate presentations of the major at open faculty meetings, and 5) a vote of the full faculty. Routines further dictated where important conversations would occur and how information would be shared. AAUP meetings, committee meetings with administrators, and open faculty meetings were identified as some of those locations. Academic leaders confirmed that each of the steps followed helped ensure a successful vote of the business major without significant opposition. Academic leaders described the process as "very fast" and the vote as reflecting overwhelming support for the business major committee's work.

The process by which the committee engaged faculty and sought feedback, buy-in, and collaboration also aligned with routines understood and utilized by the institution in its operations. Academic leaders noted that there is an understood process for determining faculty support and encouraging collaboration should members of the faculty be interested in partnering. This recognized process speaks to and helps confirm the value of the faculty "getting on board" identity marker. Operationally, it was first important to determine which were the important stakeholder departments and which existing courses could be included in the major. The committee did outreach, set up meetings, and had both public and private conversations with stakeholders and faculty members unaffiliated with stakeholder departments. Committee members described an iterative process whereby they came to understand the content of particular courses and determine their necessity and purpose within the major. One committee member said,

> "…And what we pledged to do was to talk to the people whose courses seemed to fit in that concentration, to say 'Would you be willing to have this included?', and we clarified to them, 'It doesn't mean you start changing the way you teach, or that you have to bring in business examples, but do you feel what you teach would inform a liberal arts student who's probably going to choose a career in business or management?' And almost without exception, people said yes. A few people said 'I really would rather not be in this concentration, I'd rather be over here.' Some people said 'This is cool, because I'd actually like to expand what I do, knowing that there were going to be business and

> management students in there.' One or two said 'No, you don't understand
> my course correctly, I'd rather not have it in there', but it was fine."

Academic leaders, including senior faculty, shared that it is customary, although not required, that the committee hold open meetings to discuss their progress on the major, seek feedback from the academic community, answer questions, and solicit ideas. One faculty member shared, "I had said, 'Let's bring it to the faculty'. So then we went through the, well should we have meetings, should we have special discussion sections for people who want to go and talk about it? Now, I don't remember whether we did that or not, but I said, 'If we're going to have them then let's have them quick, because let's just do it'. The best place for discussion is the faculty meeting... that's when the stakes are high." Finally, the committee accepted feedback regarding the proposed courses and began a second stage of conversations with faculty members or departments that exhibited interest but had not participated in the first round. Emails between committee members and other faculty members record conversations in which department chairs inquired about how to get courses included in order to make this a robust major. One email from a faculty member in political science read:

> "[Cindy], I'm attaching the syllabus … for my Business Law course. This
> is one of the most popular undergraduate business courses in the country
> and is the real thing, not an add-on. Also, my …Political Advertising
> [course] really is about advertising with political ads as the content. It's
> very theoretical."

Another faculty was interested in adding perspectives from Women's Studies, and wrote:

> Dear [Cindy and Nate], I just took a quick look at the proposed business major, and first let me say how impressed I am with the work and thought that has gone into this proposal. You have all worked very hard to protect the core of the liberal arts, and I think you've done so very successfully…That said, I'm quite distressed to see that Women's Studies has not been included at all…I hope that you and the committee will reconsider adding these courses to the proposed major.

Administrative leaders confirmed that this routine is an established practice at the college although not a rule by definition.

The creation of liberal arts-focused concentrations created another opportunity for broad outreach to faculty. The concentrations, each deeply rooted in the liberal arts, helped achieve two important goals articulated by the committee: they would help the major "fit" Middle College and would also make it distinctive among liberal arts colleges and competing institutions. Indeed, it was reported that at the time of the adoption of the major that there were no competitors that required liberal arts concentrations of their business majors, confirming its innovative nature.

In analyzing the data, it seemed that routines served several distinct purposes. Specifically, they served as ways to ensure legitimate outcomes, to build consensus, collect feedback, make informed decisions, and gauge opposition. Routines seemed needed not only to organize and understand the work, but to align the work to the culture, and to support the practice described by one faculty member as "developing community" with one another. The faculty member shared,

"It's a quirky place, I suppose a lot of small colleges are, but it's been a

very comfortable place in faculty, I think, largely because, as I mentioned

earlier of the success AAUP and developing community within the

faculty, people have opportunity to vent. They may be angry at one

another for a period of time, but that anger rarely seems to last. One of my

closest friends on the faculty is Jim, but we certainly had our moments

over the years, now long time past. There's no point in holding grudges at

a small college…"

At times, the routines ensured that both harmony and opposition could coexist. Faculty

leaders described some of their own relationships as ones in which there was both

disagreement and enormous respect. One senior faculty member shared, about her friend

and colleague, in references to the business decision "By and large, [he] didn't seem very

upset by it, and I pay a lot of attention to what Jim says, because I have a great deal of

respect for him." It seemed that routines reinforced the expectation that the community

was always in conversation with itself. At Middle College, then, faculty connecting more

strongly with each other was a valuable outcome of the work.

Distinct from routines, the rules that were in place throughout the process

comported with faculty legislation and the process for adopting a new major, according to

all the academic leaders in the study. Specifically, the formal engagement between the

Ad Hoc Committee on the Business Major and the Curricular Policy Committee, as well

as the process by which the major is proposed, discussed and adopted by the faculty,

comport with faculty legislation on voting curricular changes. The following is the series

of decision rules employed through the final vote by the faculty, which also represent established faculty protocols.

- The Ad Hoc Committee on the Business Major completed a proposal, dated January 28th, 2013, and submitted it the curricular Policy Committee.

- The Curricular Policy Committee reviewed and accepted the proposal and organized a presentation scheduled for the February faculty meeting.

- Two weeks prior to the scheduled faculty meeting, the business major proposal was circulated via email to all faculty.

- In the period between the email circulation and the February faculty meeting, both the Curricular Policy Committee and the Ad Hoc Committee fielded and responded to questions from the faculty.

- The proposal was presented and discussed at the February faculty meeting. (Faculty Legislation dictates that any new proposed curricular change would be discussed at one meeting and then brought to a subsequent meeting to be voted on.)

- The Ad Hoc Committee fielded questions, received feedback, and implemented changes to the proposal prior to the March faculty meeting.

- The proposal was finalized and presented to the faculty for a vote by the Chair of the Curricular Policy committee, as dictated by Faculty Legislation. The faculty voted and the proposed business major passed on the faculty floor.

The routines, rules, processes, and expectations of such processes spoke to a salient sense of identity at the college**.** Many of the routines identified were linked to the important sense of community and collaboration shared at Middle College, while the rules ensured that outcomes were legitimate and could be implemented or enforced successfully**.** Academic leaders referred to "how we do things" and "who we are," which connected its routines to the salient sense of identity that permeated each of these conversations. Although recollection of the actual count varied among faculty interviewed, academic leaders report that approximately ninety faculty members voted to approve the major and that fewer than 5 opposed**.**

Further analysis also revealed a sense of responsibility to help make this decision at Middle College**.** One senior academic leader commented that the committee did their job by creating a business major that was innovative, was not anathema to the institution, reflected Middle College values, and did not detract from the identity as a liberal arts college. Members of the Ad Hoc Committee on the Business Major concurred, describing their work on the process as having done their job**.** Another faculty member acknowledged as well that the situation was urgent and that he felt the pressure that the circumstances created. He shared, "But, there was clearly pressure…whatever we were going to do, it needed to be done quickly, either to go ahead or not…" Others noted that it was important to put the decision in the faculty's hands regardless of the outcome, because that was the committee's responsibility. He commented on the work of the committee, "It was really faculty-driven. It never went to the President to be explained…The way I say it is there was support from the administration, but not pressure from the administration. I felt pressure from the situation."

Save for the impetus of the proposal, every academic leader interviewed affirmed that the process that resulted in the adoption of the major comported with Middle College rules and routines for adopting a new major at the college. According to academic leaders, the legitimacy of the process was confirmed through a vote in which fewer than five faculty members voted against the business major proposal. Throughout the process, faculty leaders also articulated differences between support, agreement, and concession. The faculty characterized their action as concession to the administrative proposal, based on the information regarding enrollment and competition. When asked about the source of that concession, faculty leaders described a sense that the administration had proposed alternatives with few, if any, viable faculty counterproposals. One faculty recounted a conversation with a colleague:

> "I remember having that conversation with Edward, in which I [responded] 'What did you propose? What did we propose? And he said, "Well nothing." Then there you have it. So when the faculty is unable to propose ideas, when the faculty is unable to exercise their leadership…this is what happens. They propose something and you say yes or no. But we are not proposing anything."

Others described it as giving in, and still others described it as a sets of circumstances driven by tuition dependency. One administrator noted, "These programmatic changes are usually driven clearly by tuition dependency…They're driven by real need, and they force faculty in particular sometimes to swallow bitter pills, and some faculty would say, I think, that they swallowed a bitter pill because they were so caught up in some historic

definition of the liberal arts…" In the Middle College case, the circumstances dictated the choices.

Actors involved

Throughout the study, individual actors and groups of actors played significant roles in this process. Some roles were formal in nature with direct impact on the decision making process or the decision itself. Others were informal and provided context, advice, or historical perspective to administrative staff. Academic leaders identified internal groups of actors with formal roles both within the administration and the faculty. These included Board of Trustees, the President's cabinet, the Office of Admissions and faculty committees like the Curricular Policy Committee and the Ad Hoc Committee on the Business Major. The full faculty played a significant role as the sole group voting on the major. Academic leaders also identified key external actors who contributed to the process including consultants and researchers. Administrative leaders they identified as vital to the process at varying levels throughout the period included the Provost, the Dean of Admissions, the Treasurer, and the President. Primarily, shared one faculty member, "It was very important to support. In terms of institutional research…providing number and data…We would ask for information and it would appear. Which is fantastic." This provided faculty with context and a period of organizational learning that proved beneficial to decision-makers in the process. Academic leaders throughout the study cited the Board of Trustees' role in insisting on a plan beyond the Integrated Financial Plan. However, they also concur that the Board played no leadership role in the faculty's decision to vote on a business major. Senior administrators and Board members were

integral in setting the context for the "new normal environment" in higher education, which served as the background to both decision making processes.

Academic leaders noted the Admissions staff's role in educating the faculty on enrollment and competition and the data they collected regarding student interest. Admissions staff identified business as the major in highest demand from interested students in the enrollment process. One academic leader reflected how the Enrollment data and consultants confirmed their decision to move forward with the business major as an effective strategy, stating that, "the single biggest thing we could do to expand the funnel of students interested in Middle had to be to have more options in business…" Others describe enrollment administrators as asserting rather than confirming that the business major was the appropriate decision for the college. Academic leaders across the college agree that the Enrollment professionals were integral to helping the college understand completion and the effects of programmatic changes on the decision making process for applicants.

Faculty leadership in this process also included formal and informal roles such as chairpersons for the Curricular Policy Committee and academic departments, other committee leaders, and long-serving members of the faculty who offered perspectives on the college's survival through other important crises. Academic leaders agreed that the chairpersons for the Ad Hoc Committee on the Business Major as well as the chair of the Curricular Policy Committee played critically important roles. Other members mentioned the roles of members of the Ad Hoc Committee as critical to development of a successful major. Specifically, faculty leaders credited one faculty member with the impetus for the idea of liberal arts concentrations that became a part of the major; this idea affirmed

important identity markers for the college. Individuals also played important informal roles. Of particular importance were faculty members that provided support and advice at critical junctures. One member of note was the one who suggested to administrative leaders that a faculty committee be formed and that the administrative leaders cede authority to this committee. Another was a senior faculty member, a respected voice on the faculty, who lent his support to the exploration of the business major early in the process. Several members of the faculty approached administrators privately and gave them advice on the process, tone, and approach that would help make this decision a successful one. Most of those faculty members remained anonymous throughout the process, and some were outright opposed to the major. However, they expressed an important institutional value that permeated many of the discussions: the college is the priority, and members should sacrifice their own positions in order to ensure the health of the college.

Actors external to the college played important supporting roles. External consultants provided context on both internal and broad enrollment trends that helped make the case for a business major. Other consultants and resources provided guidance to the Ad Hoc Committee and the administration on the requirements as the major was being created. This advice was specific to the formation of an undergraduate business major. External researchers who provided data on each of the academic options also played a role in supporting the business major and identifying it as the most viable of all the academic options considered.

The communication and interplay of actors in the second decision making process involved significantly more people and reflected a level of collaboration emblematic of

the Middle College ethos. One limitation of the study is that academic leaders at times found it difficult to recall or reconstruct important interpersonal moments of communication as well as important roles that may have existed on the margins. Hence there may be influential actors in the process who were not identified for the study.

Alternatives and choices

The alternatives to business have been discussed in previous sections: Engineering and Nursing were undergraduate major proposals considered alongside business. Both were discussed with faculty in the sciences, including those who taught students who intended to go into the health fields. As previously mentioned, both Engineering and Nursing as majors were described by one faculty member as "dead on arrival" and had been determined prior to the fall of 2012 to not be sustainable ways forward for the college. Therefore, in the fall of 2012, only the business major appeared in the strategic plan as an undergraduate program option to be explored.

Master's degrees were also not considered a realistic alternative to the business major. Proposed Master's programs were initially described as a revenue-generating idea that was being proposed in addition to business. The business major, however, was deemed immediately actionable while the Master's programs required more research and time commitment, as is evident in the list of seven drivers of the Strategic Response Plan: "establish master's degree programs" is included as driver #2.

One academic leader described the process prior to the fall of 2012 as one in which the college was working to understand all the issues. Each of the originally discussed options was considered by some group of faculty and deemed unworthy of

being proposed. However, academic leaders did not consider the business major a *fait accompli*. One faculty member shared, "I didn't have any objection to having administration come and say having an administration come and say, 'We think this would be a good idea to evolve our curriculum to include a robust business major, rather than just a business minor.' I was an easy sell on that." However, she continued, "…the sense that we're going to have a business major, like we can't stop it, didn't resonate with me." One faculty members in the study identified the alternative as essentially voting down the business major, and said, "That's the prerogative of the faculty." Throughout the interview process, as well as through the review of email communication between the committee and the administration, there nonetheless existed a cautious optimism about the process.

One email from a senior faculty member to the committee proposing the major read: "I was unable to attend yesterday's faculty meeting. I agree with Jan's assessment that this is a well thought out proposal that is very much in keeping with the [Middle College] curriculum. I support this proposal." Another email correspondence between a senior administrator and the committee read: "Thanks all. The chair of the Curricular Policy Committee weighed in and said he was 'impressed.' [Barb] will send the proposal to those members in the morning." It seemed that academic leaders perceived the value of the process, and that the administration recognizing and respecting the faculty's leadership and skill in this area was a necessary re-setting of the relationship between faculty and administration.

Evaluation of choices

The evaluation of choices in this decision making process was atypical in that there was no identified alternative choice to the business major. The ad hoc committee's decision was to determine whether the college should adopt an undergraduate business major or not. Although neither committee members nor other academic leaders identified an ideal way of evaluating the choice, the guiding principles established at the inception of the process served this unique purpose.

The principal questions that guided the assessment of whether this particular major was a promising choice included:

- Does the major fit Middle College and can it be integrated into the larger curriculum?

- Is the major distinctive among Liberal Arts Colleges and competitor schools?

- Is the major innovative and flexible so that it can respond to both current and future needs in business?

Academic leaders confirmed that the business major proposal at Middle College met each of these mandates.   As it relates to "fit", faculty leaders assessed whether the major aligned with the broader expectations of the Middle College curriculum. There are two distinctive qualities of the existing curriculum which academic leaders tested. The existing curriculum achieved a distribution requirement through connected courses and infused issues of diversity and difference within each majors. Both of those expectation were met by the new major. There were also identifiable courses that infused issues of diversity into the major. The major also encouraged a global perspectives and encouraged students to study abroad which is a key marker of a liberal arts education at

Middle College. Additionally, given the distribution of courses and the collaborative nature by which faculty contributed to the support and development of the new major, academic leaders consider the major fitting for Middle College.

Academic leaders also supported that notion that requiring a liberal arts concentrations for each major was innovative and distinctive among Liberal Arts College and competing colleges. Consultants and advisors working with the ad hoc committee at the time also confirmed that they had not yet seen a business major developed that required a liberal arts concentration. Academic leaders felt confident that the major met the "innovative and distinctive" standard that the college had established.

Finally, the major had to be flexible and able to respond to both current and future needs in business. Again, the faculty believed that the nature of the liberal arts concentrations provided the flexibility that leaders would need to consider and approach problems from varying perspectives. This approach was expressly tied to the concentrations and the breadth that they would provide for students.

Outcomes

Decisions and decision making processes often result in changes to the structure, form, or processes of an institution (March, 1994). As a result of this decision making process there were changes at the curricular, departmental, and process levels of the institution. Organizational leaders identified two (2) structural changes to the institution as a result of this decision making process.

The first structural change evident from this decision making process is the addition of a new major that represented a fundamental change to the Middle College curriculum. The major resulted in three additional faculty lines, one in the first year and

two in the following year; this was also the first time the college had hired someone in

order to start a program at the college. Academic leaders identified business as the first

approved major at the college that was not within a discipline considered part of the

traditional liberal arts core. At the time of the study, faculty leaders noted that it was too

soon to tell how the major would impact the college and the academic experience. From

an enrollment perspective, administrative leaders noted that the college met enrollment

targets for academic years 2014-2015, 2015-2016, 2016-2017. Academic leaders,

however do not attribute this enrollment success to the business major exclusively, nor

has any study or assessment been conducted to confirm the discrete effect of the major on

enrollment. Academic leaders nonetheless confirmed that the business major has been the

fastest growing major since its adoption in 2013. In the 2016-2017 academic year, the

business major was the second-largest major at the college and has successfully attracted

a diversity of students. Middle College leaders considered the business major only one

part of a multipart strategy that included a new approach and reinvigorated effort to brand

and market the college, new partnerships, and increased visibility. One academic leader

described the decision to suggest the major as an academic opportunity that could meet

and respond to a market demand and thus an important choice for the college.

Another structural change that resulted from this decision was the creation of a

new form of department. Academic leaders chose to house the new business major within

the college's existing Economics department for its first two years. A Memorandum of

Understanding between the administration and the Economics department details the

college's commitment to a joint decision making process that would determine whether

business would remain part of a combined department or split into two discrete

departments of Economics and Business in 2015. Although academic leaders described this as a temporary structural change, it represents a model that helps the college understand the process by which a new major is both adopted into the academic culture and supported through its development. The model also represents an opportunity for continued organizational learning, which emerged as an important concept throughout the study of both decision making processes.

In addition to visible, structural changes within the curriculum, organizational behavior has the ability to create changes in processes or behavior. Besides creating a major, the college has approved a new department. One academic leader shared that there is no existing process for creating departments but that the creation of the business major is the model by which the college could do this in the future should the need or desire arise. Although this decision, by rule and procedure, created only the major, it also paved the way for the approval of a new department.

Summary of the Faculty Decision Making Process

In summary, the decision making process that resulted in an affirmative vote of the business major at Middle College reflected important institutional values. The faculty at Middle College created an avenue that brought the process back into a formal and accepted process, grounded in collaboration, partnership, innovation, and sacrifice. In a time of increasing uncertainty and unchecked vulnerability, academic leaders turned to an institutional strength in innovating curriculum to help improve enrollment and reflected a "Middle College first" approach to the problem.

Clark (1970) affirmed that institutional identity is grounded in organizational saga, which influences and guides organizational behavior and decision making. The identity markers that emerge in the study confirm that institutional identity and values dictated the process for faculty, although somewhat less so for administrative leaders in the strategic planning process. Once the faculty committee was established, academic leaders confirmed that the process comported with the procedures outlined in faculty legislation and resulted in the approval of what has emerged as the fast-growing and second-largest major at the college.

The faculty conceded at a moment where some felt they had no better choices, while others recognized that times of crisis required sacrifice. The faculty, however, preserved process, institutional identity, and values, which emerged as three of the most salient themes in this study. The faculty depended on the established protocols that created opportunities for organizational learning, "getting on board," innovation, and change. Both administrative leaders and well-regarded scholars viewed the 2008 downturn as an existential moment for and the Middle College and for many others across higher education. Furthermore, they contended that institutions like Middle College have existed for over one hundred years and that it takes a more significant shift to cause their ultimate demise. Middle College is still today a strong, tuition- dependent, middle-tier liberal arts college. Academic leaders agree as well that this class of colleges will continue to face vulnerability, to benefit from agility, and to depend on innovation and transformation to continue to thrive in a competitive market.

Conclusion

Administrative leaders acknowledge that they acted in a time of crisis within a hierarchical decision making process that did not include various actors at the college. Faculty sentiment expressed affirms that the faculty conceded in a time of crisis to environmental factors that they did not yet understand and an economic crisis that could not control. Academic leaders across the college recognize the value of the organizational learning that has taken place and identify this decision making moment as integral to organizational success in the future.

The outcome of this decision making process was the development the Middle College Strategic Response Plan that would drive and inform decision making for the foreseeable future. Academic leaders also identified a number of structural outcomes, rules, and routines that were an outgrowth of this process. In addition to the Strategic Response Plan, academic leaders identified the organizational learning that took place as a tangible and necessary outcome of this decision making process. Academic leaders recognized the value of having the full faculty gain a deeper understanding of how Middle College is perceived and how it participates and competes in the market so as to better understand the decisions and planning. Additionally, the education that the Board was able to receive regarding shared institutional governance was very valuable. The President, Provost and Board Chair were mentioned by academic leaders as the members that orchestrated those important sets of interactions, conversations, and learning experiences.

Structural changes that emanated from this decision are the emergence of annual meetings between the faculty Committee on Economic Status and the Board of Trustees.

As a result of this decision making process, the Board has also re-envisioned their own committee structure and participation to help ensure greater collaboration, information sharing, and learning among all Board members. Administrative leaders have also recognized the value of sharing information across the various committees of the Board.

Structural changes that resulted from the faculty decision making process include a new major and a newly formed department of Economics and Business. Another important outcome is in the example of organizational adaptation that Middle College has exhibited by enhancing the curriculum. Adding a business major, with a truly distinctive liberal arts core provides a pathway for the college to continue to innovate as the market continues to make new and challenging demands on it. In the face what could be a wave of change in higher education, Middle College has created a way to innovate and change while remaining true to the liberal arts core. The principles that guided the development of the business major are a direct manifestation of the established values of the college. *The future of liberal arts at Middle College lies in the balance of two incredibly important values; innovation and a commitment to the liberal arts.* Academic leaders suggest that the college balanced these values in the process of adopting a business major decision. This process could represent a model for how similar institutions meet to challenges to their future.

CHAPTER V

SUMMARY, CONCLUSIONS, AND IMPLICATIONS

This chapter summarizes the central purpose of the study, shares conclusions that emanate from the interviews and document analysis, and reflects on the theoretical basis of the study. Conclusions shared in this section are followed by a discussion of the strengths and limitations of the study, as well as implications of these results for research and practice.

Summary of Purpose

The purpose of this study is to determine how environmental and organizational factors affect decision making at middle-tier Liberal Arts Colleges. Using a qualitative case-study approach that involved interviews with ten academic leaders at Middle College, in addition to analysis of email communication, draft versions of the strategic plan, draft notes on public addresses to the full faculty, and correspondence between members of the Ad Hoc committee and the faculty and administration of Middle College, this study addressed the primary research question: *How did Middle College decide to adopt an undergraduate business major in 2013?* Through the analysis of interview and document data, the following three central questions of the study were answered.

1. How did the organization relate to its environment in a time of crisis?
2. What were the elements of decision making and how did they resulted in the adoption of the business major?

3. How did these changes did these decisions change or affect the structure of

the institution?

Additionally, this study responds to the question of whether Middle College exhibits

behaviors that align with DiMaggio and Powell's (1983) account of institutional theory,

which asserts that vulnerable organizations mimic the behaviors of successful

organizations within a field in order to gain legitimacy and thereby help ensure survival.

The study asked decision-makers to describe both organizational and

environmental conditions following the 2008 economic downturn at Middle College, and

to identify themes of campus conversations and decision making processes surrounding

the adoption of an undergraduate business major, as well as the associated outcomes.

What emerged was a characterization of a crisis that birthed two distinctly different

decision making processes, which resulted in the implementation of the Strategic

Response Plan and the eventual adoption the undergraduate business major. Three

important themes emerged that aligned with each of the aforementioned questions.

Specifically, the theme of *Vulnerability and Uncertainty* was strongly associated with

the organizational and environmental context at the time. Similarly, the themes of

"*Identity*" and "*Rules and Routines*" were strongly associated with significant elements of

both decision making processes. The correlated themes of *"Identity"* and *"Rules and*

Routines" in combination respond directly to the primary research question. This section

also shares three conclusions that emerged from the study, responds to the guiding

questions, and shares reflections and implications from senior academic leaders in the

study. The guiding questions presented have been discussed in greater detail as part of the

analysis of the data in Chapter 4, so they will be addressed here in summary form

alongside the findings and conclusions derived from this analysis. There are four primary conclusions drawn from this study of decision making that address survival of middle-tier Liberal Arts Colleges.

Conclusions

Responding to the Research Questions

Q1: How did the effects of the 2008 downturn influence decision making at Middle College? (How did the organization relate to its environment in a time of crisis?)

***Conclusion 1:* The external environment defined the organizational reality and significantly influenced and shaped behavior and decision making**

Academic leaders identified *vulnerability and uncertainty* as concepts that framed and contextualized the challenges posed after the 2008 downturn. According to administrative leaders, these concepts informed organizational behavior and decision making throughout the time period. Academic leaders described an uncertain environment, tied to financial markets and higher education generally, that created a sense of vulnerability on the Middle College campus. Colleges and universities nationwide were characterized as having lost significant endowment value, and academic leaders were alert to the forecasts that tuition-dependent private colleges would face increased competition to enroll he reduced numbers of students who could afford a liberal arts education. One academic leader characterized core Middle College families as suffering from a combination of vanishing home equity, retirement funds in disarray, and rampant job insecurity. These byproducts of uncertainty in the environment, specifically in the financial and employment markets, created a sense of increased vulnerability at colleges and universities.

This environmental context affected an organizational reality that was also vulnerable in other ways. This reality was informed not only by what was occurring nationally but also by what the college had experienced historically. Middle College had already faced an existential crisis during the shift to coeducation and had emerged as a stronger college from that transformational period. Although faculty leaders did not immediately identify the recession of 2008 as a crisis, it led to budget and personnel cuts that would capture their attention. Organizationally, it meant suspending discussions regarding the faculty salary plan, a reduction in cabinet-level members' salaries, and increased uncertainty about the sustainability of enrollment as the primary revenue driver in an increasingly competitive environment. Specifically, faculty leaders worried aloud about where the next group of students would come from, and how the downturn might affect departments, tenure, and faculty salaries. At a relational institution like Middle College, where trust and colleagueship are central to the experience of belonging, personnel cuts represented a breaking of community. One senior administrative leader shared, "In the end, there were positions that were cut... In my 40 years in higher education - that was horrible."

Uncertainty in higher education at large together with vulnerability in the local environment created what some academic leaders perceived as an existential threat. They talked about a media and news culture that questioned the value of a liberal education and Liberal Arts Colleges, specifically. The value proposition for Liberal Arts Colleges was cast as a conversation about the practical benefits and return on the investment in a liberal arts education. He stated, "So this very hard push also against liberal arts. When the crisis comes, then obviously everyone wants to secure that job, and they think that the way to

do it is by doing a STEM field of study, science and so on." This created concern about

the sustainability of the small college model nationally and was seen as a threat to Middle

College specifically. The threat was cast as a range of possibilities, from the college

closing its doors to a transformation that abandoned the core values of the liberal arts.

The fear was less about organizational death than a loss of organizational identity.

According to academic leaders, then, the post-2008 environment created a

heightened sense of vulnerability and uncertainty that was perceived as a "crisis" for

Middle College**.** Administrative leaders saw the crisis as requiring a

rapid institutional response to increase revenue and stabilize enrollment. The Middle

College board insisted that the college would not merely weather the storm, but instead

would act boldly to rethink the financial model and create an expanded revenue options at

Middle College. One senior administrative leader stated, "The board, which has a

fiduciary responsibility, was very worried about Middle's situation, and…recognized that

the strategic plan that had been created under a different milieu…wasn't going to be

especially helpful to us in terms of strategy and tactics."

Q2: What were the elements of decision making and how did they resulted in the

adoption of the business major?

***Conclusion 2:* A unique organizational culture and identity moved the organization**

to rely on rules and routines which reflected historic institutional values.

The second guiding question of the study centered on identifying the decision

making process, and the *elements of decision making* that resulted in the adoption of the

business major. Through conversations with academic leaders and analysis of the data,

two distinct decision making processes were identified in relation to the business major.

The first decision making process involved the establishment of the Strategic Response Plan, which included expanding business curricular options, including a new major, at the college. The second process centered on the faculty process of creating, supporting, and officially adopting the major by majority faculty vote.

These two decision making processes spoke to two important themes of the study: the themes of *Identity and Values* and the theme of *Rules and Routines*. The Identity and Values theme was the most salient theme that emerged from the interviews, and many of the aspects and concepts that came together to create the full sense of that theme had a direct impact on decision making and governance at Middle College. The study explores the decision making processes in chronological order, since they formed an actual sequence in which one led to the other.

Creation of the Strategic Response Plan (Decision 1)

The first decision making process was the creation the Strategic Response Plan, which involved administrative leaders including members of the Board of Trustees. Academic leaders confirmed that there was little faculty involvement in the development of the Strategic Response plan. One administrative leaders shared, "…a lot of the thinking that went into creating the…plan was driven by those recognitions and insistences by the board." Moreover, it was characterized by all participants as administratively driven, hierarchical in nature. One senior faculty leader described it this way, "But the leadership at the time…seemed to follow new directions... To a lot of us on the faculty, we wondered why …why we didn't use extant committees more... It seemed to me that we could have done that. It seemed there were a lot of other people that thought we could have done that."

Administrative leaders described a process with a highly engaged Board, Executive Committee, and cabinet. They identified three decision rules that served as guidelines in this decision making process. The process was to be 1) data-driven, time-bound, 2) revenue- enhancing, and 3) enrollment-stabilizing. Being time-bound referred to a need for alternatives to be immediately actionable, with a short incubation period before yielding results. This was frequently referred to together with a preference for "high yield" ideas. In combination, academic leaders referred to such ideas as having a "bang for the buck."

Cabinet members served as leaders or champions for particular strategic initiatives in what became seventeen such initiatives that were discussed throughout academic year 2011-2012. These discussions were described as a dynamic process given the changing nature of the crisis. Board and cabinet members described checking the financial markets daily in order to make determinations about campus initiatives based on the timing of markets and availability of financial resources. The crisis demanded that the college fight battles on multiple fronts, simultaneously celebrating the opening of an important new academic building and planning for the potentiality of additional budget cuts and a reduction in the college workforce. Strategic response planning continued in the context of the college's competing priorities and an uncertain environment. The process was informed by both internal and external experts, including Board members, cabinet members, consultants, researchers, and advisors.

Decisions were measured against the four decision rules: Is the choice supported by data? Can it be initiated immediately? Will it enhance revenue? Could it positively impact enrollment? The pace of the process, in addition to its time limits, were measured

and modulated by weekly meetings of the President's cabinet, and regular updates to the

Board of Trustees. A September 2012 deadline for the completed plan required cabinet

members to explore all alternatives before the end of the summer and to select high-

priority items that would be reflected in the plan. The plan was completed by the cabinet

and approved by the Board in August of 2012, and included seven "drivers" of change at

Middle College. The seventh driver was "Increased Management/Business offerings".

The seventeen strategic options were shared in a document entitled "Strategic Options for

Consideration". "Establish a Business Major" was among the top four items identified as

"immediate action." Hence the business major was the primary curricular initiative

included in the strategic response plan's seven drivers. However, developing Master's

programs was also considered an immediate action under consideration on as a strategic

option. The first process was characterized as a decision in the face of an immediate

crisis that could have a serious negative impact on the lives of people at the college.

Administrative leaders now turned to the faculty to determine whether they would adopt

the major as a project they could undertake.

To summarize: this decision making process was considered uncharacteristic of

the college decision making by faculty leaders. They believed that it did not comport with

previous organizational behavior and that it created a level of conflict between the faculty

and administration that required attention. Faculty leaders shared that they were

accustomed to a process where the faculty were consulted, included, and indeed

empowered to create change. They characterized decision making at the college as

collaborative and deemed this process one in which the administration had acted outside

of established norms. Faculty leaders also acknowledged that decision making in a crisis

situation sometimes requires less consultation. Faculty leaders characterized this decision

making process as administratively driven, heavily influenced by the Board, hierarchical,

closed, and uncharacteristic of the Middle College way.

Faculty Decision to Adopt the Business Major

The second decision making process was described by academic leaders,

primarily faculty members, as a wholly different. Once the faculty agreed to explore the

adoption of a business major the process was characterized by a commitment to

established rules, routines, processes and procedures. Additionally, the faculty decision

making process comported with accepted practices outlines in faculty legislation and the

collaborative nature of the faculty. The development of the major also reflected

innovation and sacrifice. One administrative leader shared his perspective and said "…

people thought that the creation of the concentrations was pretty cool. And it was.

Nobody else was doing this, and we came up with that as a committee. And something

that really did honor what our faculty could already contribute to." *Identity and values*

emerged as salient and powerful theme of the study. The term *identity and values* refers

primarily to the identity markers collaboration, innovation, and sacrifice which described

the institutional identity and culture was also reflected in the characteristics ascribed to

college faculty, as a body. These three identity markers, collaboration, innovation and

sacrifice have come represent institutional values that inform both old and new rules and

routines. Those routines impact decision making and in turn reinforce the institutional

history in this respect. The organizational behavior described by academic leaders in this

study comports with and helps to confirm, March and Zhou (2000) description of the

interaction between rules, decision making and institutional history, partially depicted

earlier in Figure 1. Each is tied to institutional stories that combine to create what Clark (1970) would refer to as the institutional saga. Middle College faculty shared examples of the socialization of the faculty toward these institutional values, which permeated and also guided organizational behavior and decision making.

Besides the sense that middle college academic leaders are collaborators and innovators another powerful set of identity markers were that they are *survivors* who *sacrifice* and "put Middle College first." Faculty leaders talked about the sacrifices that faculty members make to be part of the Middle College community. As it related to the business major they referred to Economic faculty sacrificing economics majors. One faculty leader exemplified the sacrifice by acknowledging the Economics' department support for the business major in spite of having "the most to lose". These sacrifices align with Barley's (1983) conception of symbolic actions which contribute to systems of significance at the college. Edelman (1964) establishes gestures like these as having the power to mold the personalities of institutional actors. The faculty member went on to describe it as "the right thing for the college".

The college faculty views itself as a body as uniquely collaborative and operate out of a sense of trust, familiarity, and community. Academic leaders claimed that, "It was always a sense of community - that we could work together.   It was always let's protect everybody. So the sense of community I thought was always our strength for students and for faculty, for staff, anyone who is here." *Routines* and *rules* are together another important aspect of faculty decision making that serve to support the sense of identity at Middle College, establish legitimate outcomes, and in many cases codify the relational nature of the Middle College environment. For example, collaboration implied

inclusiveness and shared understanding and was said to be a characteristic of shared governance. Collaboration, as a rule, informed the nature of their relationships and served to guide their interactions.

The faculty's perception of themselves as innovative was especially tied to curricular development and also served a similar kind of descriptor and value. Senior faculty leaders referred to innovation and change as something "we had to do survive" and as "what we do best". Academic leaders used the examples of the curricular review connected to co-education, as well as the diversity curriculum of the early 2000s, as examples of innovation that were instrumental in the college's success. In sum, institutional identity markers at Middle College rise to the level of values, guide decision making, and combine with rules, routines, and roles to create legitimate outcomes toward which faculty and administration progress together.

Reliance on rules played an important role for leaders at Middle College and comported with March, Schultz and Zhou's (2000) basic conception of actions translating into history, history translating into rules, and rules begetting actions. DiMaggio and Powell (1983) remind us that rules and routines in decision making processes provide legitimacy to organizational outcomes. The seminal experience that reflects this important relationship lies within the history of coeducation at the college. Faculty spoke, almost proudly, of the hard choices that were made in that time period. Deciding to become a coeducation institution represents that action, and the sacrifice, that creates the historical moment and required complex processes, systems and rules to be enacted. Allison and Zelikow (1999) confirm that reliance on *rules and routines* helps guarantee reliable performance and establish predictable patterns, especially at a time with the

college was facing an existential crisis and immeasurable uncertainty. Rules governing the adoption of a new major are explicated in faculty legislation, however, the more significant and meaningful *rules and routines* of the college, those which emerge from the faculty's commitment to each other and to the institution live within the culture and the subcultures of Middle College. Although collaboration, innovation and sacrifice are not explicitly stated in organizational documents, they are no less codified in the culture of the institution through symbolic actions, socialization, stories, and saga, which also supports the initial premise regarding the relationship between rules, decision making, and history introduced by March and Zhou (200) and adapted in this study.

Collaboration and *innovation* were introduced in this period as important rules which were described as necessary to the college. Those rules, over time became part of the institution's way of being and begets more action. Faculty refer to the coeducation process as a time period where collaboration and innovation helped the college forge a new future and they continue to rely on those values when facing environmental uncertainty.

With regard to the faculty's process to adopt the major, once the faculty accepted the proposal to establish an Ad hoc Committee on the Business Major, they initiated established protocols to understand, explore, build, and adopt a major. The decision making process comported with the rules established through faculty legislation, including a faculty committee, and followed existing routines to encourage buy-in and support. In accordance with legislation, the major was developed and submitted by the Ad hoc Committee, approved by the Curricular Policy Committee, presented to the faculty for discussion, and finally put to a vote of the full faculty. Informal routines

included private meetings with department chairs, communication at AAUP meetings, outreach to individual departments and faculty members to engage their participation, gathering data on business majors at other institutions, and highlighting the unique innovation contained in the major. Faculty members also played roles in the process as conveners, public supporters, and private allies. Faculty at odds with the direction held private conversations and voiced their concerns but avoided obstruction. The cooperation demonstrated by faculty who opposed the process can be traced to Bryk and Schneieder's (2002) description of relational trust. At Middle College, faculty member have a deep trust of one another as it relates to the work of the college. Senior faculty leaders reflected on moments during the presentation of the major where they looked for the friends and colleagues for confirmation that they themselves were doing the right thing. One faculty leader reflected on seeing her friend Jim nodding, in approval, as she presented the major. She stated,

> "I talked to Sandy, and I said, 'What's going to happen to your
>
> department? Sandy said, 'Oh, we're going to lose majors. We're going to
>
> lose a lot of majors. But, we'll be involved with this new program'."

Through the analysis of email correspondence and interview data, the faculty at Middle College reflected what Bryk and Schneieder's (2002) would describe as *organic trust*, where individuals share strong social bonds and foster a deeply connected sense of identity with the institution. Their commitment to each other and the institution rises to the level of moral values (Bryk and Schneieder's, 2002). The process culminated in a vote in which 95% of faculty voted in favor of the major. However, the faculty leaders clearly distinguished support from agreement. Faculty described "conceding" to the

necessity for a business major given the needs of the college and contended that this decision would not have been made if not for the crisis.

A comparison of the two processes contrasts the hierarchical process driven by the pressures of an economic crisis with the collaborative process that comports with institutional expectations. The externally imposed instability and a near-constant state of uncertainty in one process is juxtaposed with an academic system that is predicated on predictability. One faculty member reflected, however, on administrative leaders' surprise that the faculty had responded so quickly, and shared,

> "I think the board thought, 'God knows when the faculty will ever get around to doing it.' I think they thought it was going to be protracted all through the spring and that there would be meeting after meeting after meeting…I think the big thing that we agreed to as a …committee…was that we're just going to do this. We don't have time to [mess] around with it, actually….let's not rethink it to the point of absurdity."

One academic leader shared that it was important for the organization to act quickly and noted that often, organizational change in higher education is slow. He shared,

> "So, I think we in higher education, we're going to constantly have to look forward more, be more innovative. For all of us. And we're very, very slow. It takes us a long time….I forget which meeting it was, we were talking about digital natives…The president of the Woodrow Wilson Foundation was talking about that three years ago with Generation on a Tight Rope. As an industry, we're slow…"

 Regarding complex organizations, however, Allison and Zelikow (1999) contend that success sometimes requires organizational leaders to "recognize the gravitational pull of organizational propensities" (p. 159). In a crisis, academic leaders are responsible for finding a balance between their purpose and an organization's predispositions (identity), for distributing both attention and time across important issues, which makes shorthand and simplifications necessary for success (Allison and Zelikow, 1999).

Therefore, academic leaders recognized that in times of crisis, the nature of decision making at Middle College necessarily changes. Because the faculty process was a step removed from the crisis, it could comport with organizational expectation, identity, and culture.

Q3: What impact did these decision making processes have on the structure of the institution?

***Conclusion 3:* Responses to uncertainty produced an organizational adaptation that reflected a decoupling of one subunit which represented a new institutional strength.**

Outcomes and Institutional Changes

The third and final question answered in the study is the outcomes of each decision making and organizational changes that resulted from the decision. Although the development of the strategic response plan was of somewhat an ad hoc nature, it is important to note that these decision making processes have laid the foundation for decision making in the next crisis. Similarly, academic leaders reflected on how decisions were made by other administrations facing difference crises. Structural changes explained in Chapter Four will be listed here for the purpose of gathering the outcomes in summary form.

Outcomes from the strategic planning process include a new structure for Board committees and greater communication and interaction between Board and faculty committees. Academic leaders attribute this change to the vision of the college's President at the time. Sam, a senior administrative leader shared, "I remember [the President] recommending bringing the finance committee of the faculty to a [board committee meeting]…And that happened, I'm quite sure, for the first time…And now it's a staple. Throughout the economic crisis, the college recognized the value of sharing information more broadly with the entire Board, which the then- existing committee structure made more difficult. Middle College had also instituted a process by which organizational learning takes place more routinely in order to inform members of the college about the changing landscape. Committees are described as much larger but much better informed.

Finally, given the nature of the financial challenges that tuition-dependent small colleges will face, including the increasing importance of additional revenue and net tuition, the success of liberal arts college model rests on sound financial management, innovation, revenue generation and managing uncertainty. This has necessitated a more full integration of finance, planning, and implementation within all aspects of college decision making. As a result the college has transformed the role of the Chief Financial Officer to include the expanded responsibilities of a Chief Operating Officer who has become one of the most vital and engaged leaders at the college. This represents another important structural change which provided greater integration, access to information, and a centrality to the planning functions.

Structural changes have also taken place within the curriculum and the structure of academic departments. Although the faculty process officially created a new major, the decision to adopt the major and hire a founding faculty member meant the creation a new business department, which represents significant structural change at the college. According to academic leaders, there was no identified process for creating a new department, When asked whether the creation of a program or department, rather than an embedded major within an existing department, would normally go through the same process, one senior faculty leader replied, "Oh, it should...I would think it does, yes." In the interim, however, the college's Memorandum of Understanding with the Department of Economics has also created a new organizational form in which one department (Economics) serves as a parent department, housing the business major, until the new department develops. This new model represents a decoupling of one subunit from the larger organization (March, 1994). This decoupling, or loose coupling, in the organizational structure also represents a new and unique strength of Middle College. Loosely coupled structures provide for agility and flexibility in localized adaptations that respond to environmental threats while preserving the core values of the institution (March, 1994). Facing uncertain times in higher education, loose coupling provides a level of structural flexibility that can provide for more innovative responses to emerging threats.

Additionally, this process has identified an important curricular innovation at Middle College. The new business major has created a structure and a means by which Middle College may further explore majors that do not traditionally pertain to the liberal arts while preserving the commitment to the liberal arts tradition. The new business major

meets the needs and expectations of an undergraduate business major but also requires the completion of a liberal arts concentration. Normally, business majors at competing institutions could select concentrations that further professionalize the degree, including marketing, finance, or consulting. Middle College however, committed to creating a business major that was uniquely tied to the liberal arts chose to establish multi-course, liberal arts concentrations. The executive summary of the Proposal for New Major in Business, dated January, 2013 states: "We propose a new business major that will be: integrated into the larger [Middle College] curriculum; distinctive among liberal arts colleges; and flexible in response to current and future needs. The major will consist of 10 required core courses and a concentration of at least 3 specialized elective courses." At the time of the adoption of the major, the Ad hoc Committee on the Business Major also confirmed their commitment to innovation and the creation of a unique business major. The proposal goes on to state:

> Middle College has never found its educational niche in emulation, and that is why, over the years, time after time, we have blazed our own path. We have questioned, challenged, and transformed Liberal Arts education. This is clear in our history, from Middle's exceptional and unlikely beginnings … to today's innovative curriculum. Our new business major draws from this history and benefits from the perspectives that a renovated, connected, and infused curriculum brings. Deeply rooted in the liberal arts, our business major seeks to educate the next citizen leaders of tomorrow's organizations.

The unique structure of including liberal arts concentrations also creates a model, should it be necessary, to the adoption of other major courses of study that deviate to some degree from the liberal arts tradition.

Q4: Did Middle College exhibit isomorphic changes in line with the theoretical proposition posited by DiMaggio and Powell's description of institutional theory?

Conclusion 4: The environment exerted isomorphic pressure on the College to adopt a change that was incongruent with its historic values.

The final question addressed in this analysis is whether Middle College leaders' behavior comported with the DiMaggio and Powell's (1983) description of institutional theory by exhibiting isomorphic tendency to change in order to help ensure organizational legitimacy and survival. Looking to the behavior of competitors in the market serves as a form of surveillance that provides some evidence of the college's desire to mimic successful competitors' behaviors. According to academic leaders interviewed, potentially mimetic behavior was tied to three sources: college Admissions professionals, colleges noted by researchers working on the seventeen strategic alternatives, and the Ad Hoc Faculty Committee on the Business major.

At different points over a twenty-year period, Admissions Office professionals reported that education, nursing and business were academic majors which the college explored. One senior faculty member recalled that prior to the decision surrounding coeducation, the college explored three ideas, and he stated, "Number two was to bring in vocational programs like nursing and education and business skills such as accounting." Admissions staff and leadership were also aware of the number of students who currently inquired about Middle College but chose to attend a competing college within the group of colleges with which Middle College shared significant overlap in admissions

applications. Other liberal arts colleges with business majors were also viewed as colleges ahead of Middle in reputational rankings. A senior administrator shared, "We looked at the names of the liberal arts schools who offered business degrees and these are top-tier places. Yeah. Skidmore's on that list, Franklin & Marshall…" Evidence from this study suggests that admissions information was provided regarding the surveillance of organizations that have had success with a business major and the potential impact that a major could have on enrollment. In reference to that study on program interest, one administrator shared, "Business was right there. And we didn't offer it, and when you added that to my anecdotal reporting that we were missing opportunities from places like Franklin and Marshall and Skidmore, have long had business programs, why couldn't we?"

During the planning for the Strategic Response Plan, researchers helped gather information on seventeen strategic options identified business as the most viable major to pursue. Business was also identified as the most popular major based on number of degrees conferred nationally. In addition to a national trend towards business, researchers cited three middle tier Liberal Arts Colleges that had successful implemented Business programs of various types. This information was provided to the President's cabinet and the Board of Trustees and served as part of the basis for the initial argument that Middle College could successfully implement a major, with comparisons to more successful organizations served as a legitimating tactic.

The Ad Hoc Committee on the Business Major also used comparisons to other colleges as a basis for the development of the major. The committee independently researched liberal arts colleges that had implemented business majors and reviewed the

structure of those majors as they considered the proposal for Middle College.

Additionally, the committee hired a consultant who had implemented a business major at

another liberal arts college to discuss how they might think about the structure and

implications of a major at Middle College, as well as to discuss what was learned at the

competing institution about the adoption and implementation of such a program. This

serves as an example of how the college was learning from the experience of others, but

may also serve as a model that the college might potentially mimic. Academic leaders

also confirmed that the ideas that the college was considering were "the same ideas

everyone else was considering" and that the business major seemed to be successful at

other institutions without essentially compromising the liberal arts. Although the Ad Hoc

Committee did not copy a major from another institution, academic leaders affirmed that

they looked to other successful colleges for confirmation that this process could be done

well at Middle College.

There is some evidence to suggest that a 'garbage can' model of organizational

decision making was also at work at Middle College. Three academic leaders suggested

that the idea for a business major had been part of the institutional conversation as far

back as during the transition to becoming a coeducational institution. "[Admissions] was

always, I mean for years, would tell us that we're leaving a bunch of students on the table

who just won't apply to Middle without a business major. That was perennial discussions

we've had…Since I got here…Going back to the 80s." Senior administrative leaders also

stated that the business major was identified as an interest shortly after coeducation as a

means of boosting enrollment. Moreover, one faculty leader shared, "Business, nursing,

and engineering are the majors that always came up." In reference to instances in the

history when the college discussed additional programs.. The approach of allowing alternatives or solutions to linger as organizational possibilities reflects a "garbage can" model approach whereby potential solutions and problems co-exist in an ongoing organizational conversation. At times the right pre-existing solution can be matched with an existing problem. Rather than consider new alternatives, organizations often turn to well-understood alternatives that have lingered in the organizational imagination. New problems are then matched with understood alternatives that are familiar to the institution. Although there are traces of this type of behavior in the members' accounts, it is also evident that both institutional theory and a garbage can model can coexist at a college.

To summarize: three reference groups of competing institutions were surveilled by the Admissions overlap group, outside researchers, and the Ad hoc Committee on the Business Major. Information derived from this surveillance served to inform decision making around the business major at Middle College. Accounts that speak to three separate groups on campus looking to difference reference groups provide strong anecdotal evidence that Middle College did indeed succumb to isomorphic pressure to change in order to stabilize enrollments at the college long term. The appearance that both competitors and non-competitors were implementing or had implemented business majors, coupled with the existing environmental pressure to stabilize enrollment, appears to have served as an indicator that this was an important direction to consider.

Reflection and Observations

At the close of the study I reflect on two points that bear mentioning as pertinent to the ongoing study of middle tier Liberal Arts Colleges. Although these do not rise to the level of conclusions that are explicitly supported by data, they do emerge as salient observations about what this representative case may demonstrate or highlight for this field of institutions. The first conclusions address the identification of the necessary preconditions to help ensure survival for vulnerable institutions. The second confirms Breneman's (1994) finding regarding vulnerability, uncertainty and survival. These observations may also help identify opportunities for future research and implications for practice.

Observation #1

Long-term success for vulnerable colleges requires that the preconditions for adaptation and survival are inscribed in their organizational identity.

Throughout its history, the Middle College has faced a number of challenges and threats to its identity and to its overall survival. Successive transformations from seminary to single-sex institution to co-educational college required the ability to innovate; the agility to quickly identify, understand, and respond to a threat/crisis; the willingness to adapt; and the determination to follow a decision through its successful implementation. The two primary themes in this study spoke directly to Middle College's capacity for adaptation and propensity for innovation that mark it as a survivor. The necessary preconditions for survival in an increasingly competitive and shifting higher education environment include ingrained capacity in four key areas: innovation,

collaboration, sacrifice, and an established process that ensures follow-through on implementation. Middle College values may represent the necessary preconditions for survival based on the findings of this study.

The identity markers *collaboration, innovation, sacrifice* represented primary institutional values which, coupled with the faculty's deep reliance on *rules and routines* as a primary way of following through on tasks and legitimating decisions, created an organizational response to crisis and threats that helped ensure survival in a changing environment. First, colleges must be able to adapt and innovate. As social needs, technologies, and global markets and threats emerge, colleges must be prepared to arm students with skills to compete and engage successfully. Liberal Arts Colleges must continue to teach students how to think and engage meaningfully with ideas and a diversity of people. At the same time, it must be joined by a practical language and skill set that instills a sense of confidence and competence as they embark on new paths.

Major transformations are necessarily institutional efforts that require enormous *collaboration* and *sacrifice*. The nature of transformation represents both gain and loss in some part of the institutional composition, which requires *sacrifice*. Internal conflict that derails or obstructs change, either because the change is perceived as inherently wrong or because of an unbending commitment to the status quo, is not a successful strategy for institutions. (Throughout the summer of 2017 alone, three small colleges have announced radical transformations, mergers or acquisitions in the face of obstructionist bodies including alumni who are tied to an outdated institutional reality.) Finally, the institution has to demonstrate the capacity to implement changes through to completion. Middle College has demonstrated just such a methodical approach to change through a reliance

on rules and routines. Rules and routines codify process and legitimate organizational responses; they represent one of the final phases of a change process.

Breneman (1991) marked middle-tier colleges as institutions in a near-constant state of vulnerability, which also requires that these colleges be in a constant state of preparedness to act and respond. If the only constant truly is change, then organizations must embrace the process as part of a natural evolution. Middle College has not survived long-term because it has made the exact right choice from the myriad possibilities at every opportunity. It survives, possibly, because it contains in its organizational DNA the necessary preconditions for adaptation: innovation, collaboration, sacrifice, and follow-through on implementation. One senior academic leader summarized this well: "The world changes and therefore we must change."

Observation 2

The traditional, tuition-dependent, Liberal Arts College financial model is unsustainable and alternative forms of revenue will be required to help ensure longer term survival.

The second important conclusion in this study builds on Breneman's assertion that middle-tier colleges will remain in a nearly constant state of vulnerability. This study concludes that the tuition-dependent liberal arts college model, as currently constructed, is unsustainable in the long term and will require two significant innovations; an increasingly diverse focus on alternative revenue sources and a fundamental recasting of the popular understanding of the value and return on investment of a liberal arts education.

The current financial model for middle-tier colleges includes primary dependency on tuition costs that outpace inflation and earnings, and generous giving that funds

growth and development. Coupled with similarly high tuition discount rates necessary to attract students and no significant alternative sources of revenue, colleges will collapse under financial pressures. New revenue, distinct and apart from undergraduate student enrollment, will require institutions to consider many of the alternatives on the Middle College list of seventeen, and many more. Graduate programs that leverage the talent of a talented faculty, leveraging the year-round use of land and facilities, summer programs, corporate, non-profit and government partnerships, and alternative ways of delivering part of the education to new populations will all play a part in a developing milieu of revenue generation options for vulnerable middle-tier colleges. While tuition may undoubtedly remain the primary source of revenue and undergraduate education the most relevant product, alternatives that alleviate pressure on budgets, enrollment, and endowments will be necessary to ensure survival.

Developments of this kind threaten to draw a college's attention away from the central focus on undergraduate education. However, as with the advent of technology on college campus that spurred the growth of Information Technology divisions and departments, revenue generation at small colleges may require a similar structural change. This may also represent a series of isomorphic changes that pressure small colleges to behave, from a financial perspective, much more like universities with more complex and diverse income and revenue generating structures. That said, the reach and resources of middle tier colleges will necessarily alter the scope of alternatives; the need to develop sustainable alternatives to tuition is a significant variable that contributes to the existential crisis for middle-tier Liberal Arts Colleges.

Additionally, popular understanding of the value of a liberal arts education will require a fundamental recasting. Even today, it appears that academic leaders have not been able to produce a compelling narrative about the true value of a liberal education that resonates fully for a demographically different set of students and families. In difficult economic times, both the construct and the investment seem impractical. One academic leader summarized it as families who think "What good is Greek and Latin when everybody should be coding?*"* Although we should resist an accounting approach to the "return on investment" as it applies to liberal learning, it will be valuable and necessary to better articulate the connections, avenues, and pathways that connect the liberal arts to the practical arts of living, learning, and earning. Middle-tier Liberal Arts Colleges are not competing in the prestige market of their top-tier counterparts. Earning and brandishing a degree from a prestigious and highly ranked institution will continue to carry a level of social capital that remains unmatched by the middle tier. However, the learning outcomes, capabilities and opportunities for students can be similar. Language surrounding the historic institutional mission, vision, and values of Liberal Arts Colleges may fail to resonate well enough with students and families in a changing American demographic. Seventeen-year-old DACA-Dreamers want to know how they can become doctors. Hence Liberal Arts Colleges, especially those in the middle-tier, must hone a true and compelling narrative about both the value and the outcomes of a liberal education.

Limitations of the Study

There are three limitations to this study: the timing, the number of participants, and the limitations of a single case study approach. The study took place during the

summer of 2017 and was heavily reliant on interview data from ten academic leaders. One limitation of the study stems from the timing. The study explored a decision making process that derived from the 2008 economic downturn and required participants to remember and reconstruct events that took place four years earlier. Often, participants struggled to recall particular details of a story or specific parts of a decision- making process. This required some shifts in the interview protocol to continue to trigger memories and improve recall. Additionally, academic leaders were recalling a series of events that took place in the aftermath of a global economic crisis, and indeed within a crisis situation at Middle College. Recall in moments of crisis may be compromised and events may not necessarily always cohere.

The limitation of a single case study is that it does not provide comparative data from which to evaluate organizational behavior. Although this may be understood as a limitation, the value of a deep analysis of one institution made this decision a worthwhile research endeavor. However, the analysis of only one decision in a strategic plan that included seven important drivers represents another important limitation. Conclusions about the success of the overall Strategic Response Plan would be of interest to academic leaders. Without a further exploration of the outcomes of the remaining drivers, conclusions about the success of the plan cannot be drawn. The business major stood out as one of a few academic alternatives; however, many of the remaining drivers were distinctly revenue-generating which supports conclusion #2 tied to the sustainability of the existing model. Exploring the strength and outcomes of the remaining six drivers in the plan would be a necessary next step in understanding whether the post-2008 plan was truly impactful at the college.

The need to protect both the participants and the college and its data required that some documents that might have provided more depth to the analysis not be used in the study. Also, the lack of demographic data on participants including race and gender precluded an analysis of this process to which individual identities may have been relevant. Contextualizing some of the data in the experience of individuals could have added valuable nuance based on position as well as other demographic characteristics that might have been relevant.

Strengths of the Study

This study of decision making at middle tier Liberal Arts Colleges has several strengths in terms of structure, data collection, and analysis. The selection of a single-case study approach serves as a strength because it allowed a singular focus on a decision making process at one representative institution and facilitated greater depth of analysis and engagement with participants. My own relationship to the institution, in combination with the fact that it would not be comparative, provided participants with a level of confidence and trust that the study would be descriptive and not evaluative in nature. Academic leaders also appreciated the care that can be taken in a single-case study approach rather than the divided attention demanded by a multiple case study.

Participants commented after interviews on the strength of the inquiry and the recursive nature of the protocol. This structure produced opportunities to uncover and understand nuances in the experience that provided insights into decision making moments. The tone and pace of the interviews allowed participants to acknowledge their role and position in the process without seeming self-important, self-aggrandizing, or

overly influential. The structure of the interview protocol also produced a linearity in the decision making process that was unexpected and uncharacteristic. Many academic leaders reviewed the final timeline and descriptions of the decision making processes and acknowledged that although the linear process represents how the decisions were made, it conveys a sense of order that was not obvious at the time.

Many academic leaders expressed surprise at the clear delineation and articulation of events and decisions and at how the data collection acknowledges the smaller as well as the primary roles for which academic leaders seldom receive credit. They commented on how they had lost sight of "how much good work had actually gotten done" in that time period. In a dynamic process that takes place in the midst of a crisis, seldom do academic leaders have the time to acknowledge and document how the process unfolds or the vital moments in between major decisions that both facilitate change and avert further crisis. The documentation and analysis produced as it relates to both decision making processes is considered by several academic leaders a valuable product in itself. Seldom does an institution have the opportunity or the wherewithal to collect data while in process and document a post-decision assessment of a crisis decision making moment.

Finally, the analysis of the data using the elements of decision making is an important strength of the study. Given the variety of ways that the data might have been analyzed, using a consistent approach across both decisions provided for an accessible structure for comparison. The elements of decision making provided a way to understand each stage of a decision making process and avoid the natural tendency to assess only the outcome. The analysis of the elements of decision making provided a consistent mode of inquiry and analysis that instills confidence in the strength of the conclusions.

Implications for Practice

The implications of this study for the practice of leadership in higher education is twofold and involves both a modern view and approach to shared governance, and a full understanding of the constraining effects on decision making that a competitive higher education market has produced. Participants, including long term faculty, reflected throughout the process on the important organizational learning that this crisis produced and the value that participating in solutions created.

College leaders are facing increasingly complex issues on college campuses, from finances to student uprisings to competitive forces that influence decision making. Although college communities often share a sense of unity and collectivity, the management of critical issues is markedly delineated. The kinds of problems that colleges face today may best be addressed through stronger collaboration between often divided constituencies on most college campuses. This study demonstrates the potential to go beyond a historical sense of "shared governance" and move toward an expectation and acknowledgment of "shared leadership." The implications of this study are that it highlights leadership as an active process that requires that a community roll up its sleeves, rather than a process focused on managing, voting, and strict adherence to former expectations of roles. At Middle College, faculty members asked "How can I help?' which demonstrated an engagement with a process that depended on their contributions. Senior administrative leaders in this study, on the other hand, often expressed an isolating sense of pressure to solve the problems.

The complex issues that face colleges today will require leadership that acknowledges its own limitations, the potential of partnership, and the strength present in

a diverse community. Undoubtedly, a deliberately inclusive process slows decision making, complicates communication, and implicates members who may not yet be true partners. However, this study recognizes the need to extend leadership in order to better address pressing concerns and to facilitate the organizational learning and resocialization of a college community of leaders committed to innovating and working more collaboratively through challenges.

In addition, academic leaders recognized how important organizational learning throughout this crisis had become. Faculty leaders spoke at length about how much they learned about enrollment, finances, and the future of Liberal Arts Colleges, which helped contextualize the work that would be necessary in order to adapt. Faculty leaders also acknowledged that the issues with which college administrators contend are not always present to college faculty. As a result, in a crisis, faculty members feel out of their depth. The implication for future partnership is an investment in faculty leadership, that includes faculty at all levels so as to help both acculturate new partners to the existing challenges and to continue to train future academic leaders.

Recommendations for Future Research

There are several future directions that this study on decision making highlights. This study speaks to important issues of leadership, decision making, organizational culture, and survival for vulnerable institutions generally. Decision making in higher education is generally understudied and the experience at small colleges is particularly hard to access, which highlights possible directions for future research.

This study focused primarily on a decision making process and spoke only tangentially to the crucial roles that individuals played in the process. An important

direction for future research would be the study of the complicated leadership structure that exists within higher education, including multiple constituencies, shared governance, restricted funds, and tenure. One academic leader shared that as innovation emerges as an imperative in higher education, the relationship between Board s of Trustees and faculty bodies will continue to emerge as a site of conflict. Hence, research into this important relationship will be relevant to the future of higher education. Future research in leadership and decision making can and should focus on the role of college faculty in decision making and organizational success. The results of this study highlight the valuable contributions and outcomes that are possible when collaboration is integral to institutional success and survival.

The complex nature of college leadership, especially at the senior level, deserves a thorough analysis. The bygone era of college Presidents as public intellectuals has been replaced by a demand for leaders who are managers of crisis, revenue generators, and innovators. Issues within the traditional pipeline for college leaders, questions about the sustainability of leadership in volatile environments, diversity, and the changing nature of college presidency should continue to be a primary focus of future research.

Research into the relationship between organizational culture, competition, and survival should emerge as an important field given the vulnerability that higher education currently faces. Innovation, mergers, partnerships and closures may change the face of the American higher education system in the near future. It will be important to understand both what is to be gained and what is likely to be lost, how we might preserve parts that we value and how we might innovate through the turbulence.

My experience also compels me to continue to examine the situation of middle-tier Liberal Arts Colleges as a vulnerable group of institutions, many of which will innovate and initiate transformations that help ensure their survival. The myriad forms of liberal arts colleges that may emerge well beyond the Liberal Arts I and Liberal Arts II institutions that Breneman (1994) conceptualized could transform the tier and serve as a model of innovation in higher education. Longitudinal research on organizational transformation, innovation and change will also be valuable to develop of strong and thriving colleges.

APPENDICES

Appendix A: Concepts and Context Codes

#	Concept	Context Code
1	**Vulnerability & Uncertainty**	Environmental/Organizational
	a. Financial vulnerability	Environmental/Organizational
	b. Financial constraints	Organizational
	c. Enrollment	Environmental/Organizational
	d. Represents an existential crisis for liberal arts colleges generally	Environmental/Organizational
	e. Represents an existential crisis for Middle College	Environmental/Organizational
	f. Competition for students	Environmental/Organizational
	g. Sense of Urgency	Environmental/Organizational
	h. The faculty conceded	Decision Making
	i. Organizational learning	Decision Making
2	**Institutional Identity and Values (guide decision making)**	Organizational
	a. Collaboration as a value and a practice (also a decision rule)	Organizational/Decision Making
	b. Innovation -institutional culture strength	Organizational/Decision Making
	c. "Better than good" liberal arts college	Organizational
	d. Sacrifice – Middle College first (also a rule)	Organizational/Decision Making
	e. Value of reputation (L.A. college)	Env/Organizational/Dec-Making
	f. Business major was an Administrative decision	Decision-Making
	g. Business major was a market-driven decision	Decision-Making
3	**Reliance on Rules & Routines**	Decision Making
	a. Faculty-on-board (faculty support)- (routine)	Decision Making
	b. Comports with the process	Decision Making
	c. Actors and Roles were instrumental to decision making	Decision Making
	d. Location of conversations	Decision Making
	e. Bang for the Buck	Decision Making
	f. "foothold in business"	Decision Making
	g. Surveillance of other institutions	Decision Making

Appendix B

Interview Protocol

Welcome and introduction

1. Description of the focus of the study
2. Reviewed definitions and terms
3. Shared chronology of major event from 2008-2013 (handout)

Biographical information

1. Can you share a little about yourself and your time at the college, including your department, position, years at the college?

2. Can we talk a little bit about leadership roles you may have held or performed in your time at the college?

Section I. Organizational Context

As we begin to think about the time period in which the business decision occurred, I'd like to turn to the timeline we shared earlier.

1. Does the timeline and the description of those events seem familiar to you?
   a. Are there differences, additions, or changes you can share?

2. As you think back on that time, what were the themes that characterized or defined this period for faculty and staff on campus?
   [Follow up questions include:]
   a. How would you describe the themes of campus conversations among the faculty and staff as it relates to the events on the timeline?
   b. How were people talking about these events?
   c. What were the themes of campus leaders' conversation?
   d. What were you grappling with at the time?

3. Although the timeline provides some mile markers or chronology to help us contextualize things happening in those years, can you describe any more of the organizational context from which these conversations emerged in 2012 or prior?

Section II. Environment

One of the important questions posed in this study is what impact external environmental factors have on the decision making at Middle College. The post-2008 environment was unique nationally. Much of the focus was on endowment

losses and the impact it would have on college and universities. For the purposes of this study, the market environment is explored, which may include things like competition, the economy, student interest in Liberal Arts Colleges, enrollment, etc.

1. As you think back and recall that time period, what environmental factors in your opinion were at play and impacted the college generally?

2. What would you identify as the college's strengths in that time period?

3. What you identify as the college's challenges/weaknesses or vulnerabilities?

4. How were those challenges discussed? Who would have been discussing or contending with those challenges/vulnerabilities?

5. In a time of change in higher education, how would you characterize the College's position in the relative to its competition?

Two years after the downturn (2010-11) the college appeared to be in the midst of a myriad of activity. Construction of the new academic building was underway, after budget and staff cuts, in response to the downturn. Soon thereafter, planning for the forthcoming Middle College Strategic Response Plan and its Seven Drivers was also underway.

Section III: Strategy Development

1. Again, if you recall that period, what do you remember as the specific impetus for the development of the Strategic Response Plan?

2. Can you describe the full scope of strategy as you remember it?
   a. Could you have recalled that strategy at the time?

3. Can you recall how the strategy was developed? What was the process?
   a. Are there steps in the process that you could reconstruct?

4. Can you recall what institutional actors were involved in the development of the strategy?
   a. Alt: Who would you say was involved in developing the broad strategy?

5. Do you recall, or would you have known then, what information informed the process?
   a. Alt: How was information collected?

6. Do you recall how that information influenced the development of the Strategic Response Plan, if at all?

7. How do you recall how the Strategic Response Plan was shared?
    a. How was it received by faculty and staff?

The Strategic Response Plan *emerges and addresses "Seven Drivers" of success at Middle College. "Expanded business options" is among the Seven Drivers of the plan. Business is an interesting choice for a liberal arts college given that it is normally considered a deviation from a traditional liberal arts curriculum. I'd like to discuss the decision to choose business as well as other academic that were in contention at the time.*

8. Can you recall other academic/curricular strategies that were discussed or considered at the time?
    (Share strategies document that included other academic options.)
    a. Do you recall conversations about engineering and nursing?
    b. Do you recall conversations about Master's degrees?
    c. How would characterize each of those conversations?

9. Do you recall how the business major emerged as part of the plan?

10. Were there champions or supporters of this idea?
    a. If so, can you recall the arguments in support of business major?

11. Were there challenges or detractors to this idea?
    a. If so, can you recall the arguments against the business major?

Section III: Decision Making Process

We have talked a bit about the environment and the strategy from which the business major emerged. I'd like to talk a bit about the faculty decision making process that resulted in the adoption of the business major. If there are questions here that you cannot answer for any reason, please feel free to let me know and we can move on from the question. I'll be asking about decision rules, information gathering, actors, roles and process.

1. Since we are talking specifically about a curricular decision, can you describe the formal institutional approach to curricular matters like adding a major?
    a. Can you delineate the key criteria for making such decisions?

2. How would you characterize the process?
    a. *Note: (Hierarchical (top down), negotiation and compromise (common agreements), collaboratively (working closely together)? These are examples you might share if necessary.*

3. What factors influenced or informed the decision making process?

4. Can you describe <u>your role</u> in the process?
   a. In what ways were you involved in the process?
   b. Be prepared for follow ups

5. What would you describe as the discrete role(s) that faculty members played in the decision making process?

6. Can you recall what role any administrators played in the decision?

7. At the time what do you recall the impetus for the major?
   a. From where did the interest stem?

8. Do you recall what information was gathered, shared, and considered in making this decision?

9. Do you recall if the college looked to other colleges or partners for help or information?

10. Can you articulate steps in that decision making process from the moment it was the time the discussion began in the fall of 2012 until the vote in the spring of 2013? (Be prepared to follow ups to get a chronology of events if possible)

11. In your opinion, did the decision making process for this decision comport with the established process for decisions of this type?

Section IV. Structure

2. In your opinion, has the adoption of the new major impacted the institution broadly? If so, how?

3. Do you believe that the adoption of the major has had an impact on the Middle College curriculum? If so, how?
   a. How has the new major affected other departments, programs, or majors?
4. Are there new processes, procedures or approaches that exist today as a result of this decision?

5. Has the adoption of the business major impacted academic policy? If so, how?

6. Has the adoption of the business major impacted faculty culture?   If so, how?

7. Has the adoption of the major affected decision making? If so, how?

8. Was this a successful change? Why or why not?

Close

1. Is there anything that you expected would be asked that did not come up today? If so, I would be happy to discuss it, now.
2. Are there thoughts or perspectives that we have not discussed which are pertinent to this study on decision making at middle-tier Liberal Arts Colleges that you would like to share?

Appendix C:

List of Documents

1. Assessment of Academic Programs: Business, Engineering, and Nursing Programs
   Date: n/a
   Description: Report prepared by university graduate school of Education researchers describing the research and viability of business, nursing, or engineering programs at Middle College.

2. Draft Memo to the Board of Trustees
   Date: January 2012 (no day specified)
   Subject: Status of the Seven Drivers for Middle College Success

3. Summary of a Senior Cabinet meeting
   Date: August 16, 2012

4. Draft: Focus Plan Communications (planning document)
   Date: August 2012

5. Draft: Strategic Options for Consideration
   Date: 9/12/12

6. Diagram: Seven Drivers of Focus Plan
   Date: n/a

7. Draft: Communication to the Middle College Faculty
   Date: September 7, 2012

8. Brochure/Report: Strategic Initiatives for the Middle College.
   Date: October 11, 2012

9. Email from administrative leaders to senior faculty leaders
   Date: February 22, 2012

10. Email from Economics Faculty member and dept. chair to the Provost/Dean of the faculty
    Description: Support for the enhanced minor.

11. Email from Political Science department chair
    Date: 2/22/12
    Description: Departmental support for the enhanced minor

12. Copy of "Enhanced Minor in Business" framework (to date)
    Date: 12/14/11

13. Email summary of research from Special Assistant to the President to the
    Provost/Dean of Faculty
    Date: n/a

14. Email from Jan Brady, Coordinator of the business minor
    Dated: 11/16/11
    Description: A "first pass at revising the business Minor." Also, an attached a
    side-by-side comparison of old minor and new proposed minor.

15. Article: Published in htrp://universitybusiness.com's VIEWPOINT section.
    Title: What's the Matter With Business at Liberal Arts Colleges?: *Why
    business courses belong in these schools. Author: Jay Leibowitz Jan. 2012.
    Description: This is an article that is shared with the President's cabinet*

16. Email from Peter Brady to Jan Brady
    Date: 12/22/11
    Subject: new draft of business minor

17. Position Announcement for Founding Faculty- Business Major
    Description: Position announcement for a founding faculty member "to teach
    in and build a new undergraduate program in business at Middle College."

18. Insider Higher Ed interview with co-editors of new book on the future of
    business education
    Description: Interview with co-editors of New Model for Business Education.
    April 19, 2013. By Scott Jaschik

19. Memorandum of Understanding between Economics Department and
    Provost/Dean of Faculty
    Date: 3/6/13

20. Summary of work on the proposed major in business
    March 25, 2013.
    Prepared by Peter Brady

21. Proposed change to legislation from new major in business

Date: February 11, 2013 (precedes the vote.)

22. Email from Cindy Brady to the Ad Hoc Committee on Business Major –
    summary of meetings
    Date: 12/6/2012

23. Email from Cindy Brady to the Ad Hoc Committee on Business
    Date: 11/27/12
    Description: area business school's learning objectives for students in business
    majors.

24. Notes on first meeting of Ad Hoc Committee on the Business Major
    Authored by: Peter Brady
    Description: Notes on the brainstorming session on what the business major
    "should be"

25. Email from Peter Brady to external consultant
    Date: 12/20/17
    Description: Specifically states that the faculty want to own this process
    themselves

26. Spreadsheet of required courses and electives for the proposed business major
    Date: n/a

27. Table 2: Business, engineering, and nursing programs at the Anaheim Group
    colleges and Middle College's 35 Overlap institutions
    Date: n/a

28. Article: Chronicle of Higher Education
    Date: June 5, 2011
    Description: Article printed from the Chronicle.com entitled: Blueprint for a
    Better Business Curriculum *by Anne Colby, Thomas Ehrlich, William M.
    Sullivan, and Jonathan R. Dolle*

29. Faculty leaders provided ten email communications between faculty
    committee members, administrators and faculty leaders.

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