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Consolidation in U.S. Higher Education: A Case Study of a Regional Institution

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Consolidation in U.S. Higher Education:
A Case Study of a Regional Institution

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Dedication

To my primary motivators, my children: Nash, Ivy and Knox, and my biggest cheerleader and best friend, Amy. You supported my educational journey by moving coast-to-coast and by waiting up late so I could kiss you good night before bed. I pray you receive the dividends you should from your dedication and sacrifice.

Also, to my parents, Val and Julie Hawks, for raising me to appreciate the importance of education and global citizenship by being examples of learning, selflessness, dedication, and kindness.

I love you all very much and am grateful you are in my life.

expected from any doctoral committee, and all benefits that have served me well professionally and personally, and that I expect will continue to do so.

Finally, to my classmates and colleagues with whom I have shared a classroom or an office and tolerated the philosophical ramblings of how important it is that higher education carefully and selectively identify and adapt useful lessons from the business world. Whether you agreed or disagreed, the lively scholarly discussion that was had improved my understanding and passion for the complex world of higher education.

Abstract

The purpose of this single-site, descriptive case study was to study consolidation in U.S. higher education through the process perspective as posited by Jemison and Sitkin (1986). In their process perspective, Jemison and Sitkin posit that four impediments may occur during the consolidation process that can directly impact the outcome of the consolidation. These four impediments are expectational ambiguity, escalating commitment, activity segmentation, and the misapplication of management systems.

Research questions guiding this study are focused on why consolidations take place in higher education, how outcomes are measured, and how decisions made during the consolidation are aligned with the stated purposes of the consolidation. This study included document analysis and interviews with students, staff, faculty, and administrators from an institution that had been created through a recent consolidation. Participants were selected from both pre-consolidation institutions and the State System of Higher Education.

This study presents the experiences of a number of faculty, staff, administrators, and students as they navigated the complex processes involved in consolidating two higher education institutions. Through their story and applying the process perspective of consolidation (Jemison & Sitkin, 1986), important themes regarding consolidation emerged.

The first theme is the role uncertainty can play in organizational dynamics, especially at a time of significant change such as consolidation. The second is that clear, consistent communication can help in both easing uncertainty and ensuring that those involved in implementation make decisions consistent with strategic objectives. The third is the importance of actively managing change. While exhaustive planning may take place, there will be unforeseen challenges, and it is vital to manage that change instead of letting the change occur

through the path of least resistance. In conclusion, the usefulness of the process perspective of consolidations for institutions of higher education is discussed, along with the implications of this study and topics for future research.

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Chapter 1: Introduction

The State System of Higher Education is preparing students for the 21ˢᵗ century economy and citizenship. Today the System must look internally to ensure that it has a 21ˢᵗ century structure, providing a network of institutions offering the proper range of degrees and opportunities in research and service to students and faculty. The purpose of campus consolidation is to increase the system's overall effectiveness in creating a more educated Georgia. (Board of Regents for the University of Georgia, 2014, p. 2)

Statement of the Problem

The existing body of research regarding changes in the organizational structures of higher education institutions is severely lacking. At various times over the last 50 years, scholars have addressed issues like institutional mergers, consolidations, closures of institutions, and the creation of systems or consortia (Chambers, 1986; Clark, 1972; Jackson-Fobbs, 1997; Locke, 2007; Matlock, 1979; Millett, 1976; Shirley & Peters, 1976). The introductions of these studies often suggest the population of higher education institutions has surpassed a critical mass and anticipate that higher education, as a sector, will eventually need to become more efficient, either through consolidation or the so-called death of a significant number of institutions (Millett, 1976; Shirley & Peters, 1976). As recently as June 2014, Dr. Clayton Christiansen, Harvard Professor famous for his ideas of how disruptive technology can change industries and organizations, predicted the closure or merger of 40% of small colleges and universities in the United States within the next 25 years (McDonald, 2014).

But, for the most part, the general structure of higher education – from institutional governance and administration to the national model of post-secondary education – seemed to not have significantly changed in the last century (Richardson, Bracco, Callan & Finney, 1999). Further, the numbers of degree-granting institutions continues to increase, even while the number of students enrolled in these institutions has recently remained relatively flat (Clotfelter, 1999).

Figures 1 and 2, located in Appendix A, illustrate the number of degree-granting institutions in the United States and the number of students enrolled over the past 40 and 5 years, respectively.

Consolidation and other forms of changes to institutional governance in higher education have not occurred to the degree many have anticipated, but nevertheless, they have occurred. Pure mergers – arrangements where two independent institutions join as equals to form a new institution – continue to occur (Haleblian, Devers, McNamara, Carpenter, & Davison, 2009). Acquisitions – an arrangement where one institution is completely absorbed by another – has become even more common and the frequency of acquisitions continues to grow (Haleblian et al., 2009). Partnerships, systems, or consortiums have also become more common (Haleblian et al., 2009). In the higher education cases that have been studied (Haleblian et al., 2009), there is usually not a financial transaction involved, such as a university acquiring another university, or two institutions "merging," but with one university specifically assigned as the "parent" institution and the other as the "target." Thus, for the purposes of this paper, the term *consolidation* is used interchangeably with merger, acquisition, or partnerships.

When higher education institutions consider a strategic reorganization like consolidation – whether proactively to seek out efficiency and savings or as a last ditch effort to avoid closure – there is little guidance in the form of scholarly or applied research. Instead, administrators and policy makers must look outside of higher education to industry for theories and guidance concerning mergers and acquisitions (Eastman & Lang, 2001). For-profit organizations have long relied on mergers and acquisitions as growth opportunities, providing researchers in management, finance, economics, and social sciences considerable data to use in formulating theories and testing hypotheses (Haleblian et al., 2009).

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The research based on consolidation strategies in industry provides a thorough and well-researched body of knowledge (Haleblian et al., 2009). However, there are important differences between higher education and for-profit organizations that should be considered when applying existing theories of consolidation, or any other business-driven strategy for that matter, from industry to higher education institutions. Additionally, observations of consolidation attempts among for-profit organizations suggest that, even with the extensive experience and research available, anticipated and desired outcomes are typically not fully realized (Schraeder & Self, 2003). The inability of experienced managers and consultants with expertise in industry to achieve desired outcomes attests to the complexity of integrating the activities, culture, strategies, and goals of two or more organizations into a single, functioning unit (Martin & Samels, 1994).

As administrators in higher education consider organizational restructuring like consolidation they are presented with the challenge of attempting a strategy that is difficult for corporate leaders and consultants to accomplish successfully, without much of the knowledge, incentive, and direction available to those experts. Existing research and theories from the canon of business literature, such as the choice perspective (Larsson & Finklestein, 1999), strategic fit perspective (van Knippenberg, van Knippenberg, Monden, & de Lima, 2002), and organizational fit perspective (Weber & Drori, 2011), certainly provide important perspectives to consider, but the unique complexities of higher education require these theories and findings to be adapted. For example, managers recommending consolidation among for-profit organizations can justify the move in terms of shareholder interests, primarily profit. In higher education, cost savings and efficiencies may be a reason to consider consolidation, but there may be other programmatic, enrollment, mission-based, and outreach implications that outweigh the financial incentive

(Martin & Samels, 1994). One of the problems facing administrators in higher education is the lack of current research that applies theories from the business literature on mergers and acquisitions to higher education institutions.

Purpose of the Study and Research Questions

The purpose of this study was to explore the processes involved in institutional consolidations in higher education, specifically why they occur and how the change agents involved in these strategic changes develop and meet their stated objectives. The research questions that guided this study are:

1. What are the primary enhancements the institutions aim to achieve through consolidation?

2. What processes are used to ensure decisions related to the consolidation are focused on the stated objective(s)?

3. How are the outcomes of the consolidation defined, evaluated, and assessed?

Considerations of Strategic Change in Higher Education

In a historical context, strategic or significant change in higher education has been a precursor to larger social movements in the United States. Women's rights, desegregation, the explosion of technology, and the anti-war movements of the 1960s are all examples of social movements with dramatic effects on society that can be traced back to college and university campuses (Brubacher & Rudy, 2008).

Yet, colleges and universities themselves often move much slower when it comes to internal change (Thelin, 2011). Public institutions that operate under the bureaucratic structure of state governments face resistance to change by a number of stakeholder groups. This has

resulted in higher education institutions that, in many ways, make decisions very similar to the way they did 50 years ago, or even at the turn of the 20th century (Thelin, 2011).

However, in the last decade, the reluctance for higher education institutions to adapt and change has been challenged by the need to find more efficient ways to attract students, increase quality, and achieve organizational missions, all in an environment of limited resources. The distribution of income sources for colleges and universities has changed dramatically, and the decrease in state support as a percent of total income for higher education in many states have led to significant increases in tuition. These tuition increases have led to flat enrollment, at a time when state governments are setting ambitious goals around educating their citizens (McBain, 2009). All of this comes down to doing more with less, or, simply stated, becoming more efficient.

Institutions are not blind to the pressure from stakeholders to become more efficient. At some universities, the need to become more efficient has led to internally merging colleges or schools. In 2004, the University of Tennessee, Knoxville dissolved their College of Health and Human Ecology into the College of Education, Health and Human Ecology, with one department going to the College of Business Administration (University of Tennessee Knoxville, 2010). Also in 2004, Iowa State University established the College of Human Sciences, a merger of what had previously been the College of Education and the College of Family and Consumer Sciences (Iowa State Univeristy News Service, 2004). These intra-institutional consolidations are attempts to create synergies within an institution, but have little-to-no impact on other institutions or the macroeconomic environment of higher education.

Discussed in more detail later in this chapter, the state of Georgia began consolidating a number of their higher education institutions beginning in 2011. The historical approach of

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many states, especially after World War II, was focused on making college more accessible

through a strategy driven by the belief that there should be a higher education institution –

college, university, or technical school – physically close to every citizen (Thelin, 2011). Now,

as access is no longer as heavily dependent on physical proximity to a campus, many states are

looking for ways to make their system of higher education more efficient.

Importance of the Study

The rate of consolidation in higher education in the United States has dramatically

increased in the past decade, just as mergers and acquisitions have been growth strategies in

private industries for more than a century. The high frequency of consolidation among

businesses has led to a considerable body of literature addressing important issues that arise

during these strategic pursuits (Halelian et al., 2009; Haspeslagh & Jemison, 1991; Karim &

Mitchell, 2004; Leeth & Borg, 2000; Malatesta, 1983). The conclusions of this research vary,

but one of the most consistent findings is that mergers and acquisitions rarely result in the

benefits anticipated by the organizations at the outset of their consolidation (King, Dalton, Daily,

& Covin, 2004; Moeller, Schlingemann, & Stulz, 2003; Seth, Song, & Pettit, 2002).

This presents a problem for higher education institutions and a gap in the literature

between research on consolidations in the private sector and the body of work addressing

strategic change in higher education. Managers and consultants in industry, with all their years

of experience and cases to reflect upon, have not yet been able to achieve the success they hope

through mergers and acquisitions as often as they should (King, Dalton, Daily, & Covin, 2004;

Moeller, Schlingemann, & Stulz, 2003; Seth, Song, & Pettit, 2002). How then, can higher

education administrators – with much less familiarity and fewer examples from which to gain

insight – hope to conduct a successful consolidation?

Studying consolidation in higher education is important for a number of reasons. Legislators expect more out of public institutions but in many states continue to limit funding. During the 2007 financial crisis and the "Great Recession" that followed, most public institutions received significant cuts to public funding and attempted to make up their shortfall in tuition hikes. In 2012, as nationwide reports showed flat, or slightly decreasing, enrollment, it seemed as though tuition rates had reached the point of elasticity where further increases would decrease already soft demand (Johnson, Adams, Cummins, Estrada, Freeman, & Ludgate, 2013).

These budget woes come at a time when more is being expected of higher education institutions. Many state governors have set forth ambitious agendas that include dramatically increasing the percentage of their citizens that have a college degree. In Georgia, Governor Nathan Deal wants to add 250,000 post-secondary graduates to the population by 2020 (Office of the Governor, 2012). In Tennessee, Governor Bill Haslam's "Drive to 55" aims to have 55% of Tennesseans with a college degree or certificate by 2025 (Drive to 55 Alliance, 2014). According to the 2011 census, the current number of Tennesseans with a college degree or certificate is 32.1% (Lumina Foundation, 2013). Achieving these incredibly ambitious goals set by governors and legislatures will require both increases in support and more efficient operations by institutions and the higher education system as a whole.

Pursuing strategies of institutional change without clear objectives to achieve unreasonable goals, without the aid of precedent, can be very damaging to an institution. As consolidation continues to be an option for many higher education institutions, and an option that may become more frequent or necessary, more research on the considerations specific to higher education mergers and acquisitions are needed (Ursin, Helena, Henderson & Valimaa, 2010).

As institutions face tighter budgets but more demanding stakeholders, administrators will need to develop strategic initiatives that can increase efficiency, generate new revenue streams and/or save money. Many systems, consortiums, and partnerships have been created and strengthened for this very reason, and institutions are continuing to pursue strategic alliances aimed at accomplishing this critical objective (Martin & Samels, 2002). While a merger or consolidation is an extreme form of strategic change, it is one that will become more likely as pressures continue to mount on higher education.

This study is also significant because consolidation typically involves the complete amalgamation of activities and services. Strategies related to addressing duplicate programs must be discussed, as well as student support services, regardless of the similarity of the institutions' missions. Administrative costs in higher education have increased significantly over the last three decades (Moody's Investor Services, 2013) and may be one area to identify synergies in consolidation, if approached correctly. For these reasons, studying the planning and implementation of consolidation can provide insight on the importance of each of the many moving parts of successful organizational change.

Background of the Case Study

The University of Georgia, the flagship institution for the State System of Higher Education (SSHE), lays claim to being the oldest publically chartered higher education institution in the United States (Brubacher & Rudy, 2008). The 1795 State Constitution of Georgia chartered the university in Athens. What was chartered as a single institution has grown to become a system that, in 2011, included 35 institutions.

In May 2011, the Board of Regents of the State System of Higher Education named a new chancellor (State System of Higher Education, 2014). This chancellor took over one of the

oldest and most respected systems of higher education in the United States, although not one without its challenges. With experience working in the Governor's Office of Planning and Budget, as well as work with local and statewide chambers of commerce, the chancellor was well aware of the importance that they adapt many of the business strategies they had seen in the private world to help address some of the issues the State System of Higher Education (SSHE), like other higher education systems throughout the country, faced. Shortly after taking the time to travel the state and become familiar with the institutions they would be working with, the chancellor started discussing consolidating some of the state's public higher education institutions.

In hindsight, the chancellor's tendency towards efficiency, perhaps in the form of consolidation, may have been indicated in the three broad areas of focus they discussed in their first report to the Board of Regents. In this report, the chancellor set forth three priorities: performance, partnerships, and selling the value of college (Huckaby, 2011). Within a few short weeks, the content of those comments had changed from consolidation being a possibility to consolidation being a legitimate and likely strategy.

In a September 14, 2011 report, campus space utilization was one of the key concepts discussed by the chancellor (Huckaby, 2011). They clearly set forth the expectation that individual campuses "consider every alternative before sending a proposal to build new space." These comments came after visiting a number of the SSHE campuses, and seeing some campuses with space utilized better than other campuses close by. Each of these institutions would have been trying to deal with their own challenges, albeit different sides of the same coin. One would be looking for more space while the other would be looking for ways to fill space. The chancellor viewed this from an outsider's system-level perspective, seeing an opportunity

for those campuses to create a partnership, resulting in benefits for both institutions and the SSHE.

Towards the end of the September 2011 report, after announcing the commissioner's staff would analyze space utilization, and using a discussion of the importance of change as a segue, the chancellor made the first statement that indicated the intention to introduce change to many college communities and campuses throughout the state. They commented:

> Looking ahead, we must ensure that our System has the appropriate number of campuses around the state. We need to be organized in ways that truly foster service to our students in the most effective way and that ensure our faculty are properly deployed and supported. Therefore, I believe it is time for the system to study if campus consolidations are justified and will enhance our ability to serve the people of [the state] at less cost. Our staff will begin right away to assess if any campus consolidations would further our teaching, researching and service missions in a more fiscally prudent way. (Huckaby, 2011)

In slightly more than 100 words, the chancellor announced the intention to consider a strategy Martin and Samels (1991) had written about almost 20 years prior in *Merging Colleges for Mutual Growth.* Instead of using consolidation as a lifesaver for struggling colleges, the chancellor was proactively looking for opportunities to improve higher education through consolidation. Four years later, seven consolidations of 14 institutions have occurred or have been announced.

Consolidated University

Consolidated University (CU), a pseudonym for the actual institution studied in this dissertation, is the result of the consolidation of Southern State College (SSC) and Southern State

University (SSU), completed in January 2013. The consolidation of Southern State College and Southern State University was one of the original four consolidations announced by the Board of Regents in January 2012 (Board of Regents of the State System of Higher Education, 2014). These two institutions represented a consolidation of schools that were approximately the same size – SSC had about 2,500 more students while SSU had about a $10M advantage in budget – but with a number of different program. SSC and SSU served the same area of the state, but because they had somewhat different missions, there was little overlap in student recruiting.

One of the primary reasons for the consolidation of SSC and SSU can be traced to the chancellor's original report to the Board of Regents and the focus on the importance of space utilization. SSU had reached a point where student population growth was difficult because of limited space, while SSC offered more potential for improving space utilization. Additionally, by consolidating these two institutions, the common practice of students transferring from SSC to SSU became part of a single institution's registration process, allowing easier transfers, while still maintaining the associates programs offered by SSC at the new Consolidated University.

The consolidation that created Consolidated University is an important case to study because of its likely similarity to future consolidations in higher education. SSC and SSU were institutions with some overlapping programs but complementary needs – SSU had growth and SSC had space. The consolidation was intended to create a symbiotic relationship between the two institutions to ensure as many possible students, and tuition dollars, were brought into Consolidated University by reallocating resources from duplicate programs, optimizing the use of space on the SSC campus, and meeting the demand for SSU enrollment.

Whereas some of the consolidations announced by the Regents included institutions with very different missions but could benefit from shared services and partnerships, the CU

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consolidation included two institutions with at least somewhat similar missions but different needs. This case study of the CU merger can provide real-world examples of strategic arrangements that will likely become more common as institutions continue to struggle with flat enrollments, restricted state budgets, and pressure from legislators and others to increase quality while lowering costs.

Theoretical Framework

A more detailed description of the theories related to consolidation, mergers, and acquisitions will be discussed in Chapter 2, but understanding the theoretical framework that was used for this study is introduced here, so as to add context to the purpose and organization of the study and the research questions.

Mergers and acquisitions have been a focus of research in the management literature for decades (Haleblian et al., 2009). As the complexity of consolidation efforts in industry grew, more theories and research questions became pertinent to this field of study. Theories such as organizational fit (Gunter, 2008), strategic fit (Gillian, 1997) and choice perspective (Fielden, 1991) became popular theories to discuss and test in the business literature. Many of these researchers were focused on measuring results; that is, identifying the antecedents of a successful merger or finding the best metrics to use, post-merger, to determine if consolidation efforts were successful (Csiszer & Schweiger, 1994; Datta, 1991).

As the topic of mergers and acquisitions became more popular and more complex, new questions were asked and perspectives developed. One of these approaches will serve as the theoretical framework for this study. Jemison and Sitkin (1986) acknowledged the importance of considering both strategic and organizational fit – two theories that had gained traction in the literature – but introduced a new, complementary perspective: the process perspective. The

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process perspective challenged the assumption that the outcomes of a merger or acquisition were primarily determined by either the strategic or organizational fit, and even suggested that the original negotiation and price for the transaction did not solely determine the success of the merger (Jemison & Sitkin, 1986). Instead, the process perspective posited that decisions made during the merger and acquisition process – from the time management started talking and thinking about finding a partner, through the negotiation phase, and into implementation – all had an impact on the final result of the merger (Jemison & Sitkin, 1986). Essentially, the process perspective developed by Jemison and Sitkin suggested that the decisions of management throughout the consolidation process had a significant influence on the ultimate outcome of the merger (1986).

The process perspective can enhance our understanding of consolidation in higher education. In a traditional, for-profit merger, there is a specific price negotiated and success can often be defined in financial terms. This is not the case in higher education. There need to be other, more unique measures or indications of success in higher education consolidation, and many of these may come throughout the merger process. To identify these and completely understand how they contribute to the final outcomes, we should consider higher education mergers through a process perspective lens.

Organization of the Study

This qualitative study utilizes the traditional, five-chapter structure as described by Marshall and Rossman (2011). Chapter 1 introduces the concept of consolidation in higher education, provides some historical and contemporary considerations, and sets forth the importance and need for the study. Chapter 2 provides a comprehensive review of the existing literature related to consolidation in higher education and other topics important to consider

when discussing significant changes to traditional environment. Chapter 2 also includes a review of the literature on corporate consolidations, frameworks researchers have applied to mergers and acquisitions to assess outcomes, and literature that discusses the unique economics of higher education, and how they may influence the motivation to consolidate and the outcome of such a change. Chapter 3 will specifically address the research methodology to be used in this study. Chapter 4 will highlight the findings of the study. Finally, Chapter 5 will discuss the application of these findings for practitioners and provide suggestions for future research.

Reflexivity Statement

There are characteristics related to my education, experience, and professional objectives that could impact the perspective through which I collected and analyzed the data for this study. Being aware of these characteristics is the important first step of ensuring that they would not inappropriately influence my data collection and analysis, but there were also other important data validation techniques I used to ensure the data collection and analyses were accurate.

One such characteristic is that I am trained much more as a businessperson than an academic administrator. My undergraduate and graduate degrees are applied degrees focused on business administration, strategy, and international business. The first seven years of my career were spent in roles where I was responsible for improving processes and finding more efficient ways to accomplish organizational goals. Often, in the industries and companies for which I worked, *efficient* meant quicker and/or cheaper without jeopardizing quality. While my six years of professional experience in higher education has introduced me to a new way of thinking about organizational theory and practice, I still have roots that tie back to the theories of scientific management and maximizing outputs while minimizing inputs. While I do not believe it did, this approach could have influenced how I define the success of organizational change.

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I also have some degree of unscientific familiarity with an example of higher education consolidation. From 2009–2012, I worked as the Director of Internal Audit at Southern Utah University, one of the nine institutions in the Utah System of Higher Education. While this did not expose me in any official capacity to the decision-making process or the implementation of Utah State University and the College of Eastern Utah's consolidation, I have met and worked with some of the individuals that were involved in that process, and I have discussed with them the process and outcomes of that consolidation.

Chapter 2: Review of the Literature

*For too long, institutional managers have operated without a set of clearly
articulated, practical guidelines for planning and implementing college and
university mergers built on mutual-growth, mission-complementary
principles…We believe there is an increasing need to provide coordinated
guidelines to the widest range of merger participants, from those exercising the
most complex forms of trustee stewardship to first-year students elected to a
planning task force.* (Martin & Samels, 1994, p. xi)

Introduction

Most colleges and universities are not profit-seeking ventures (Clotfelter, 1999).

Administrators of these institutions do not consider themselves managers and generally do not

see their students as products (Clotfelter, 1999). While colleges and universities certainly

compete for students and highly productive faculty, it is a collaborative competition where

identifying the fit of the student and the institution is much more important than a for-profit

company trying to help establish a fit between its products and its consumers (Bain & Company,

2012).

In this study, economic terms that may not seem to fit with higher education will be used

to help keep the discussion clear and concise. For the purposes of this study, a *firm* is a market

participant and an *industry* is a collection of firms. There should be no assumption made that the

use of the term *industry* to describe the national population of colleges and universities or the

term *firm* as a specific institution of higher education suggests profit motives or any other

economic concepts commonly associated with the business world.

Many administrators will suggest that because higher education organizations have more

valiant missions – knowledge creation and education rather than profit – economic analysis is

less applicable (Clotfelter, 1999). Certainly, an industry as unique as higher education, with both

private and public institutions, varying sizes and degrees of complexity, different missions and

primary goals, and separate target markets requires some adjustment of traditional economic theory. However, the fundamental laws of supply and demand, consumer and firm behavior, and industry growth and contraction still provide important insights for non-profit institutions like higher education (Clotfelter, 1999).

This study will look to use one such economic theory – the process prospective of mergers and acquisitions – as a theoretical framework by which consolidation efforts in higher education can be better understood (Jemison & Sitkin, 1986). This chapter will provide an overview of research based on consolidation in the business world and the roots of the process prospective. Some of the most recent and applicable literature on non-profit consolidation will be reviewed, followed by an overview of what little literature exists on higher education consolidation. Theories of consolidation, largely from the business literature, will be described and the process perspective will be given specific attention (Datta, 1991; Haleblian et al., 2009; Larsson & Finkelstein, 1999). The review of literature will provide an important understanding of what work has been done understanding the phenomenon of consolidation, both extensively in the business literature and to a lesser degree, concerning non-profit and higher education organizations.

Consolidation in For-Profit Industries

Mergers and acquisitions have long been an important strategy to achieve growth, corporate renewal, and value creation in for-profit industries (Haspeslagh & Jemison, 1991). In 2014, the total volume of global acquisitions of public targets was over $3.5 trillion dollars, the highest level since 2007 (Zeth, 2014). Along with being an important part of the competitive landscape in many industries, mergers and acquisitions have also been extensively researched by scholars (Datta, 1991; Fielden, 1991; Schraeder & Self, 2003; Weber & Dori, 2011). Haleblian

et al. (2009) identified over 300 articles focused on quantitative acquisition research from 1992 until the time of their study, even after eliminating articles outside top-tier journals and only including those with certain terms (e.g., merger, acquisition, merge, acquire, M&A) in their title or abstract. Thus far, however, the vast majority of that research has focused on for-profit organizations that typically have a clear profit motive. Over 80% of the articles identified for Haleblian et al.'s (2009) study came from the finance, accounting, or management literature with fewer than five articles coming from a non-business field, sociology.

Early research focused on mergers and acquisitions asked questions primarily related to the synergistic effects of, or the value created by, consolidation. A number of studies from the early-1980s concluded that there was no significant short-term or long-term improvement in performance metrics by the acquiring firm (Dodd, 1980; Malatesta, 1983). Later, other researchers identified evidence that suggests acquisitions may decrease the value of the acquiring firm (Chatterjee, 1992; Seth, Song, & Pettit, 2002). Acquisitions were also found to commonly result in very volatile market returns (Pablo, Sitkin, & Jemison, 1996). Market returns, in part, communicate the confidence investors have in the strategy of a management team and the direction of the company. Volatile returns may suggest a lack of confidence and uncertainty regarding acquisitions.

As consolidation has become increasingly more common and complex, so have the research questions scholars ask and the studies they conduct. Building on the early work of Dodd (1980) and Malatesta (1983), more recent researchers have moved beyond trying to just measure the value created through mergers and acquisitions and have considered the behavioral aspects of pursuing a consolidation strategy (Empson, 2001; van Knippenberg et al., 2002). For example, theories attempting to explain why firms consolidate or identify variables that moderate

or mediate the planning-performance relationship have become important pieces of the body of literature seeking to understand mergers and acquisitions in for-profit industries (Haleblian et al., 2009).

Research focused on consolidation strategies in for-profit industries are framed largely by the fundamental importance of the profit motive; that is, companies exist to produce profits and managers should be incentivized to maximize shareholder value (Bauer & Matzler, 2013). Thus, whether the reason for a merger or acquisition is to realize economies of scale, integrate up or down the supply chain, increase market share, or obtain some proprietary knowledge, those reasons are the means to an end of enhancing profitability. The importance of profit in industry provides some clarity for researchers seeking to identify how successful outcomes were achieved, since *successful outcomes* can be defined in objective, financial terms, and primarily from the perspective of the acquiring firm (Werner & Jones, 1992). The lack of such a clearly defined and measurable outcomes presents a difficult challenge when researching consolidation efforts in not-for-profit industries.

Consolidation in Not-for-Profit Industries

While mergers and acquisitions in for-profit industries may be primarily proactive strategies for growth and corporate renewal, not-for-profit organizations are more likely to be reactionary and consolidate because of economic uncertainty and the scarcity of resources (Schmid, 1995). While not-for-profit consolidation may be a more reactive approach than that of a growth strategy in industry, a proactive or reactive approach does not change the difficulty of integrating two different leadership teams, organizational cultures, operations, and strategies (Pietroburgo & Wernet, 2010).

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The case study methodology has been used to determine how not-for-profit industries, like state institutions of higher education, plan, implement, and assess consolidation efforts. One such case study was Pietroburgo and Wernet's (2010) study of the merger of three national bowling agencies, published in the *Journal of Leadership Studies.* While there may seem to be little higher education can learn from bowling, the themes identified in Pietroburgo and Wernet's (2010) analysis provide important insight for administrators involved in consolidation discussions. Four themes emerged from the study of the consolidation of the American Bowling Congress, the Women's International Bowling Congress, and the Youth American Bowling Alliance in 2005. These themes were:

> [1] existence of a catalyst leader and a nucleus of like-minded individuals who can serve as the impetus for change, [2] sufficient time to accommodate the psychological and practical aspects of merging, [3] opportunities for building social capital among the people involved in the merger, and [4] preservation of cultural remnants that are carried over from predecessor organizations to the newly merged entity. (Pietroburgo & Wernet, 2010)

These four themes are not only important in the specific case presented by Pietroburgo and Wernet (2010). Consider these points in any not-for-profit environment, but especially in higher education. Without an assertive leader to pursue a consolidation strategy, without sufficient time and social capital, and the willingness to let different stakeholder groups hold on to some important aspect of their former culture, the challenge of managing already complex consolidation efforts becomes even more daunting. Considering these four themes should also create some concern among higher education administrators, as the traditional and sometimes

staunch, silo-like culture of higher education institutions can make these factors very difficult to identify or obtain.

In addition to the four themes that emerged from the analysis of the merger of the three bowling associations, the conditions that led to the need to merge were identified. Specifically, three conditions came into play that led to the consideration of a merger: contraction of membership, shifts in the social environment, and homogenization of purposes (Pietroburgo & Wernet, 2010). Essentially, demand began to soften and the associations became less differentiated. Again, higher education could easily relate to these economic indicators as national undergraduate enrollment has essentially been flat since 2010 (U.S. Department of Education, 2013) and outside of a handful of elite programs, universities have a homogenized purpose, often times with factors mostly out of the institution's control, such as location and perception, being some of the most important factors for potential students (Clotfelter, 1999).

Another insightful study regarding mergers in not-for-profit industries considered the process by which four human service organizations merged into two reconfigured nonprofits (Ricke-Kiely, Parker, & Barnet, 2013). The purpose of the Ricke-Kiely et al. (2013) study was an attempt to set forth general steps that not-for-profits could use when considering and implementing a consolidation strategy. The authors developed their study by applying social network theory as defined by Gulati (1998) to the merger of human service organizations. In this theory Gulati (1998) sets forth five factors that must be present for successful alliances: formation, governance structure, dynamic evaluation, performance, and consequences. These five factors are intended to incorporate the motive for a strategic alliance, the structure of the alliance, and accountability for the evaluation and performance of the resulting alliance.

By applying social network theory to the four human services organizations that merged, Ricke-Kiely et al. (2013) developed three important phases of a merger for not-for-profit organizations. They called the first phase pre-strategy and included tasks such as mission connectivity, personalities, precipitating incident(s), and financial health (Ricke-Kiely et al., 2013). Strategy design was the second phase and included the development of a time frame, asset and program distribution, budget dissolution plans, and an authority delineation strategy. Finally, the execution phase consisted of the legal tasks needed to complete the merger, cancellation of discontinued services and relationships, and the integration of programmatic, accounting, and administrative processes (Ricke-Kiely et al., 2013).

The work of Ricke-Kiely et al. (2013) is important to consider in the context of this study because their research focused strictly on how not-for-profit mergers resulted in steps or phases very similar to Jemison and Sitkin's (1986) process perspective of mergers, which focused more on for-profit consolidation. These similarities suggest that while motives and assessments of mergers in the for-profit sector and not-for-profit sector may be very different, there is likely much to be learned by not-for-profit administrators from the theories generated by researchers focused on industry and the experiences of managers in companies that have been involved in mergers and acquisitions.

Strategic and Organizational Fit Perspectives

Literature reporting the occurrence of mergers and acquisitions in the private domain, where companies are consistently identifying methods of strategic renewal and growth, provides and appropriate background to understand many of the inherent challenges with merging two or more organizations, regardless of the specific factors involved. While there are a number of variables that may influence the outcome of a merger or acquisition, the general consensus of

researchers is that more mergers fail to achieve all of their intended benefits than those that exceed expectations (Zollo & Meier, 2008). One line of research, focused on the importance of strategic fit (Bauer & Matzler, 2014), would suggest that misaligned strategic objectives may be the primary cause of mergers failing to meet their objectives. Another group of researchers suggest misaligned cultures (Datta, 1991; Mirvis, Marks, & Sales, 1983; Pitt, 1996), or that the two organizations consisted of individuals that had significantly different cultures and were unable to bring together the technical aspects of a merger.

Both the strategic and cultural considerations of mergers and acquisitions fit under a larger theoretical framework that has been called the *choice perspective* (Shelton, 1988). The choice perspective assumes that managers and executives are rational decision makers and that they pursue mergers and acquisitions based on important strategies that can be used to spur growth, satisfy or appease shareholders, encourage organizational legitimacy, and/or create more opportunities for managers (Jemison & Sitkin, 1986).

The Process Perspective of Mergers

Jemison and Sitkin (1986) suggested another perspective be considered as it relates to the success – or lack thereof – of consolidation attempts. They posited what they called the *process perspective* (Jemison & Sitkin, 1986). The process perspective suggests that decisions are made throughout the process of a merger or acquisition, beginning at the strategy formulation stage and continuing through implementation that may ultimately influence the outcome of the consolidation (Jemison & Sitkin, 1986). Thus, the process, and the decisions made during the process, become an important part of any consolidation effort.

Jemison and Sitkin (1986) made it clear in their research that the process perspective was not developed as a replacement for the strategic or organizational fit perspectives. Rather, it was

meant to serve as another perspective through which researchers could consider the relative impact of strategic fit, organizational fit, and decisions made during the process (Jemison & Sitkin, 1986). Specifically, the process perspective described by Jamison and Sitkin (1986) suggested that during the process of organizational consolidation, four specific impediments can occur that may impact merger results. These four impediments include: (a) activity segmentation, (b) escalating momentum, (c) expectational ambiguity, and (d) management system misapplication (Jemison & Sitkin, 1986).

Activity segmentation concerns the technical aspects of consolidation and the complexities of combining operational units into fluid, efficient, task-oriented organizations. In higher education, activity segmentation may be seen in administrative units, such as financial aid, registration, information technology, the bursar's office, and other task-driven units, but also academic units such as colleges, schools, and departments. These important considerations of organizational fit may not be specifically addressed in the planning stage of consolidation for a number of reasons (Jemison & Sitkin, 1986). For example, merger discussion and analysis may be limited to only high-level managers who are familiar with the activities of their organizations, but not intimately involved in carrying out those tasks. To help manage stakeholder expectations, management teams may not share merger discussions with staff. This may be helpful in controlling rumors or uncertainty, but it also means that by the time the decision is made, little has been analyzed on the impact of integrating day-to-day operations by the individuals actually involved in those operational processes. Additionally, the uncertainty of how different policies or procedures will be reconciled may make planning for the implementation of specific processes difficult, leading to slow and ineffective implementation, or rushed and hectic implementation that results in bad processes (Jemison & Sitkin, 1986).

Escalating momentum can be described as the tendency for momentum stimulating the acquisition process to grow stronger than the questions or concerns that slow down its momentum (Jemison & Sitkin, 1986). In other words, during many acquisitions or mergers, the excitement of the deal becomes a primary driver for participants instead of considering the consequences of the end result (Jemison & Sitkin, 1986). This will be a very important factor to observe in this study, as change is slow in higher education and the many passionate stakeholders of any single institution may discourage any change, thereby mitigating the risk of escalating momentum. On the other hand, that discouragement may become so strong it either stops the consolidation from occurring or adds unnecessary time and effort to the process.

For example, while there is support by the governor of South Carolina and much of the state legislature to merge the College of Charleston and the Medical University of South Carolina, merger discussions that arise every few years are generally discontinued because of protests or questions from faculty, staff, and the community (Shain, 2014). Escalating momentum, especially as demonstrated by higher education administrators, may be very closely related to leadership. Again, in the College of Charleston/Medical University of South Carolina situation, there is not a chancellor nor president aggressively pushing for the merger, while in this study's case, the chancellor of the system was very assertive.

A certain amount of ambiguity is necessary in the negotiation or planning stage of a merger, especially in a for-profit merger when a price is being determined (Jemison & Sitkin, 1986). During the negotiation phase, general agreements must be made, but enough ambiguity will need to exist so the two sides can come to an agreement on certain issues. Focusing on timelines, roles, goals, and performance metrics at the negotiation stage can create hostility and unreasonable expectations (Jemison & Sitkin, 1986). Ambiguity can be used to agree on general

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strategies and goals in good-faith. However, once the negotiation is successful and it comes time for implementation, each side of the merger may have had specific ideas in these areas of ambiguity (Jemison & Sitkin, 1986). Essentially, the tension and discussion of the specifics that were avoided during the negotiation phase by using ambiguity now must be dealt with during the implementation phase. Many of the people that will have an important role in the success of the merger – midlevel managers and staff – could become entangled in the conflict over specific details of implementation because those details were avoided during the negotiation (Jemison & Sitkin, 1986). Expectational ambiguity does not need to ruin merger implementation plans, but administrators who will be involved in the implementation should be aware of the areas that may be most ambiguous and be prepared to mediate when the integration of those areas occurs (Jemison & Sitkin, 1986).

The last of the four potential impediments to a successful merger is the misapplication of management systems (Jemison & Sitkin, 1986). Even when a merger is presented as a merger of equals, one side of the merger is generally seen as the "parent," or the organization that will lead the implementation. When the administrators of this organization, either consciously or unknowingly, become defensive or arrogant in their integration planning, management systems are being misapplied. Parent managers may assume that simply because they are in the "parental" role, their processes, policies, and systems work best. Even when the other organization demonstrates efficiencies or practices that may have initially appealed to the parent organization, administrators may still overlook the opportunity to create synergies through a true integration by simply overlaying their existing practices and processes on top of the new merged organizational units (Jemison & Sitkin, 1986). When this occurs, the value of the merger is jeopardized and complex, ineffective units can be created that then take much longer to

amalgamate, delaying the time until the unit begins to add to the success of the merger instead of weighing down the new organization.

The fundamental premise of process perspective – that decisions made during the planning and implementation of a merger strategy can, and will, influence the end result – offers higher education administrators a unique insight they can use in their decision making processes. Applying this conceptual framework to the cases in this study will fill a gap in the literature by demonstrating specific decisions or phases of the consolidation process in higher education where the four impediments, discussed as part of the process perspective, may play an especially important role. While this will not result in a "how to" guide for higher education administrators involved in, or considering, consolidation, it will offer insights from a prevailing theory of consolidation.

Consolidation in Higher Education

Discussions of consolidation in higher education have dramatically increased over the last decade, in part due to the "Great Recession" of 2008 and the pressure by policy makers to educate more students, graduate a higher percentage of those students, and keep tuition affordable. Doing more with less requires gains in efficiencies and with so many policy makers looking toward industry for lessons on how to accomplish such gains, the increased interest in the feasibility of mergers in higher education comes with little surprise.

However, mergers are certainly not a new phenomenon in U.S. higher education. Since the founding of the colonial institutions – Harvard, Yale, William & Mary, Pennsylvania, Brown, Rutgers, Columbia, Dartmouth, and Princeton – institutions have merged, closed, and opened based on the changing demographics of the communities they were created to serve (Thelin,

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2011). In fact, each of those colonial institutions, at some point in the last 300 years, have

acquired or merged with a smaller institution, typically to enhance the programs they offer.

In the mid-1970s, Millett (1976) published "Mergers in Higher Education: An Analysis

of Ten Case Studies," for the American Council on Higher Education. The purpose of Millet's

study was to identify best practices for institutions considering mergers. At the time, there had

been a slight increase in mergers in higher education, but many other schools were struggling

financially and both the Academy for Educational Development and the Carnegie Foundation

wanted to provide research for those schools to consider as they had to strategically prepare for

financial exigency (Millet, 1976). While this was one of the first publications or reports on

mergers in higher education, it was based on the perspective of an institution struggling to

survive. While a number of mergers were included in his report, and some quality findings

generated, it did not significantly influence the rate or behavior of institutions involved in or

considering mergers (Millet, 1976).

Almost 20 years later, two more scholars took a different approach. Martin and Samels

(1994) sought to convince higher education administrators that consolidation could be a

proactive strategy for growth instead of a reactive strategy to deal with financial exigencies.

More recently, higher education scholars have anticipated an increase in consolidation efforts,

demonstrated by the relative amount of articles and books published about the topic.

Organizations like Moody's Investor Services (2013), and consultants like Harvard professor Dr.

Clayton Christiansen (McDonald, 2014) are again suggesting now is the time for a wave of

consolidation to flow through U.S. higher education.

More higher education institutions simply close, rather than become a potential partner or

acquisition target for another institution (Lyken-Segosebe & Cole, 2013). A recent example of

this is the case of Sweetbriar College, a women's college that announced their plans to close

because of financial going-concern risk. While student and alum protests led to court

involvement and Sweetbriar is now staying open, it will be interesting to see if consolidation

becomes an alternate strategy for them. One challenge in higher education is, absent an external

threat, key stakeholders and employees may experience three concerns when significant changes

that require their support and efforts are presented (Greaves & Sorenson, 1999). These concerns

include: (a) organizational identity, (b) employee empowerment, and (c) organizational trust.

Organizational identity presents a challenge because of the decentralized nature of most

universities. Most universities are divided into colleges or schools based on discipline or field of

study. Greaves & Sorenson (1999) found that most faculty members and staff members

identified more with their college than the larger university. Other colleges were seen as

competitors for the same pool of resources allocated by the university. This identity was

unintentionally encouraged by central administrators who, generally speaking, did not include

faculty and staff in institutional decision-making. This lack of inclusion, along with poor

communication on the status of changes taking place, led to employees feeling a lack of

empowerment. A primary identification with a college over the university and the lack of

empowerment may cause faculty and staff to feel a lack of trust towards university

administrators. When the support and help of the entire workforce is such a necessary part of

successful consolidation, beginning such a seismic change with a cynical workforce may prove

to be a costly disadvantage (Greaves & Sorenson, 1999).

Examples of Consolidation in Higher Education

As discussed briefly earlier, consolidation in higher education is not a new phenomenon.

While this study will focus on one institutions that was created from consolidation, six others

have occurred or been announced in that state in the last four years (Georgia Board of Regents, 2014). While that state has been very progressive and assertive in their consolidation efforts over the last four or five years, they are by no means alone.

In the mid-2000s, two of the nation's largest medical schools – the University of Denver Medical School and the Medical School of Ohio – each merged with a nearby regional comprehensive institution (McBain, 2009). Little research has been conducted related to these two examples, but anecdotally when mergers in higher education are discussed, both of these are often cited as successful mergers (McBain, 2009).

In 2010, the College of Eastern Utah (CEU), located in Price, Utah, was acquired by Utah State University (USU), located in Logan, Utah – about four hours from the CEU campus (DeVilbiss, 2010). The USU-CEU acquisition was reactive – instead of creating a strategic alliance, CEU was nearing financial exigency and the state legislature was looking for a lifeline to save an institution. While CEU was not a material part of the state system of education, it provided a number of students with the chance at associate degrees they would not have otherwise had, especially if CEU had closed (DeVilbiss, 2010). This acquisition has not been studied either, although research on the financial implications would provide important insights. At the time, USU was in a strong financial situation, while CEU was not. The assumption that a strong USU could buoy up a weak CEU should be researched and tested.

Other mergers have taken place (see Table 1 below) and all were either part of a reactive or proactive strategy. Locally, each may have had been covered by a news agency, but very few were large enough to impact any dialogue about the higher education industry or how relevant mergers might become. As has been discussed, researchers would occasionally explore the topic (Millett, 1976; Samels & Martin, 1994). Less than a half-dozen dissertations were completed

examining specific institutions, and specific aspects of the merger, such as the role of leadership (Thomas, 1995), the experiences of mid-level managers at technical schools involved in mergers (Ohman, 2012), and the threat of colleges closing in the next 20 years (Deubell, 1984). Mergers in higher education are not new, and when the overall economic state of higher education is considered, certain trends might suggest that mergers could once again play a central role in the future in higher education.

Table 1. Partial list of recent consolidations in U.S. Higher Education

Institution (created)	Institutions (pre-consolidation)	Year
Kennesaw State University	Kennesaw State & Southern Polytechnic State	2014
Rutgers-Camden Rowan	Rutgers-Camden & Rowan University	2013
New York University	New York University & Polytechnic University	2013
South Georgia State College	Waycross College & South Georgia College	2012
Middle Georgia State College	Macon State College & Middle Georgia College	2012
University of North Georgia	Gainesville State University & North Georgia College and State University	2012
Georgia Regents University	Augusta State University & Georgia Health Sciences University	2012
Utah State University-East	Utah State University & College of Eastern Utah	2008
University of Toledo	University of Toledo & Medical University of Ohio	2006
University of Denver	University of Colorado-Denver & Colorado Health Sciences Center	2004
Penn State University	Penn State University & Dickinson School of Law	2002
Fordham University	Fordham University & Marymount College	2002
DePaul University	DePaul University & Barat College	2000

Trends towards Consolidation in Higher Education

Even as more institutions consider consolidation options, the idea continues to be divisive in university communities because few, if any, stakeholders of a university have incentives that might encourage them to pursue mergers or acquisitions. Without a change agent or leader assertively pursuing and selling the idea of consolidation, there is little, if any, reason for institutions to drift towards a merger. For example, discussions between powerful stakeholders

about merging the College of Charleston and the Medical University of South Carolina frequently arise but quickly diminish (Shain, 2014), demonstrating what happens when there is not a single change agent or a supporting cast of like-minded individuals.

However, even without a single individual or change agent pressing for transformational changes in higher education, the pressure to do more with less, flat enrollments, funding concerns and more accountability being demanded by state and federal governments, the number of consolidations in higher education is escalating. Table 1, above, is a list of recent mergers in U.S. higher education.

According to Higher Education Publications, Inc., (2014) a private organization that monitors the status and population of institutions in U.S. higher education, the rate of consolidation in higher education is increasing. The organization identified 64 mergers or consolidations in the 1980s, 63 in the 1990s, 71 in the 2000s, and 72 since 2010, just half way through the current decade. At this rate of increase, the number of mergers this decade will exceed the number of mergers from the previous 25 years combined (Higher Education Publications, Inc., 2014).

The attempt by governing boards and state systems to identify and take advantage of potential synergies and efficiencies that come from consolidation has been applauded by industry observers. In their 2013 annual report for higher education, Moody's Investor Services changed their outlook for U.S. higher education from *stable*, where it had been since 2009, to *negative* (Moody's Investor Services, 2013). However, in that report, Moody's analysts were optimistic towards the systems and states considering mergers and consolidation because the analysts saw that those efforts may "foster operating efficiencies and reduce costs amid declining state support" (Moody's Investor Services, 2013, p. 4).

Theoretical Framework of the Study

Practitioners and researchers in the business world have traditionally looked at mergers and acquisitions through a transactional lens. Such a lens assumes that the managers pursuing an acquisition have decided, based on some analysis, acquiring the right company will be a sound investment and result in creating value for the acquiring company (Jemison & Sitkin, 1986). A transactional perspective portrays a corporate acquisition much like any other economic transaction in an efficient market; that is, a rational decision-maker decides to make a purchase, carefully considers a number of available options, selects the option they prefer, determines a price based on the conditions in an efficient market, and the transaction occurs. At some point after the transaction is complete, the acquirer discovers if the desired outcomes are achieved and if the transaction was, from the buyer's perspective, successful (Haleblian et al., 2009).

A transactional perspective states there are a number of determinants that influence the ultimate success of an acquisition, but to a large degree they are uncertain. These determinants may include economic conditions after a merger or acquisition is negotiated, the accuracy of both benefit and cost estimates, and the overall reaction of the markets to the merger (Bauer & Matzler, 2013). A process perspective, however, introduces the idea that the decisions made during the acquisition process and indeed, even the way in which the acquisition is approached and managed, can ultimately influence the outcome of the acquisition (Jemison & Sitkin, 1986). Like corporate mergers, the few examples of consolidation in higher education have traditionally been analyzed through a transactional lens, when perhaps the process perspective will provide more information and garner better results.

The conventional, transactional perspective relies on the critical assumption that the value to be created can be reasonably assessed at the time an agreement is made. In their seminal work

on creating value through acquisitions, Jemison and Sitkin (1986) posit a process perspective may be more appropriate than the conventional perspective when analyzing acquisitions. Empirical research consistently found that most acquisitions failed to achieve the anticipated benefits, although the reasons why were more difficult to identify. For this reason, Jemison and Sitkin (1986) developed their process perspective. By looking at the acquisition process instead of focusing on the results of the acquisition, the drivers that lead to the results can be analyzed, rather than just the results themselves. This is where the process prospective adds insight into an analysis of the merger and acquisition process, especially when results may be ambiguous or may not be realized in the short term.

Summary

The theoretical framework used in this study – the process perspective from Jamison and Sitkin (1986) – provides a unique lens that can be used to study the application of the extensive literature on business mergers (Datta, 1991; Fielden, 1991; Schraeder & Self, 2003; Weber & Dori, 2011) to the more sparse literature on consolidation in higher education. While much of the research related to for-profit organizations suggests that most mergers and acquisitions fail to achieve the objectives or rate of return originally anticipated (Haleblian, Devers, McNamara, Carpenter, & Davison, 2009), the process-focused research in that area may be important for higher education as the number of consolidations in higher education increase.

Chapter 3: Methods

For researchers, the closeness of the case study to real-life situations and its multiple wealth of details are important in two respects. First, it is important for the development of a nuanced view of reality, including the view that human behavior cannot be meaningfully understood as simply the rule-governed acts found at the lowest levels of the learning process and in much theory. Second, cases are important for researchers' own learning processes in developing the skills needed to do good research. (Flyvbjerg, 2006, p. 223)

Purpose of the Study and Research Questions

The purpose of this single-site case study is to explore the processes involved in institutional consolidations in higher education, specifically why they occur and how the change agents involved in these strategic changes develop and meet their stated objectives. The research questions guiding this study are:

1. What are the primary enhancements the institutions aim to achieve through consolidation?

2. What processes are used to ensure decisions related to the consolidation are focused on the stated objectives?

3. How are the outcomes of the consolidation defined, evaluated, and assessed?

This chapter of the proposal will discuss the reasons a case study methodology is the most appropriate approach to answer the research questions and to accomplish the purpose of the study. It will also provide a description of the population, the sample, data collection and analysis, sources of data, and limitations and delimitations of the study.

Case Study Methodology

Yin (2009) specifically states that case studies are the preferred methodology "in examining contemporary events, but when the relevant behaviors cannot be manipulated" (p. 11). In describing the variation among different types of case study, Yin (2009) highlights that

descriptive case studies can play an important role in accurately recounting an intervention and the real-life context in which it occurred (p. 5). The purpose of a descriptive case study is reporting, to the extent possible, a complete description of the event being studied (Merriam, 2009). A successful descriptive case study provides sufficient, accurate detail of an event that the final product is a complete description, or what Merriam refers to as a "rich, thick" description (Merriam, 2009).

Merriam (2009) further encourages the use of case study as a qualitative methodology by stating that the specificity of focus on a certain practical problems or situations allow for intensive intrinsic study. The rich, thick description defined earlier – an essential part of a descriptive case study – provides context for other researchers that may generate theories beyond the specific bounded system selected for the case study research (Merriam, 2009). Stake (1988) describes four ways in which knowledge garnered from case study is different from other knowledge: (a) more concrete, (b) more contextual, (c) more developed by reader interpretation, and (d) based on reference populations determined by the reader.

These four differences will be evident in the present study. The case of Consolidated University is based on actual events and the description of them will be based on interviews and documentation that provide corroborating data. All data is in the context of the State System of Higher Education's (SSHE) strategy to consolidate many of their higher education institutions, and the specific findings of the case studies are rich, thick, contextual pieces of data of one actual consolidation. Challenges may arise with the role of reader interpretation. For example, this is not a how-to guide for consolidating institutions. Rather, it is a descriptive study of how two institutions were consolidated into one, and how decisions they made during the planning and implementation process changed the path of their consolidation. Finally, it is important to

understand the unique aspects of these two institutions, as well as the governing structure of higher education in the state and specific missions of institutions before and after the consolidations. If the findings of this study suggest that consolidation had a positive effect on the institutions or the state system that does not imply that consolidation can work anywhere, at any time, for any one. In other words, findings from this case may be generalizable to the theory being applied (the process perspective), but that does not mean findings are generalizable to the entire population of colleges and universities in the United States.

Another critical element of a descriptive case study is the ability to clearly identify the bounded system that is the focus of the study (Merriam, 2009). Merriam (2009) describes a bounded system as the "what" of the study, and if the "what" of the study is not a noun – a person, place, or thing – that can have a hypothetical fence built around it as a case, then it is not a bounded system. She also suggests considering how finite the data collection of the case may be as a method of assessing the boundedness of the case. If there is no easily defined limit to the number of people that could be interviewed, documents that could be analyzed, or other data that could be collected, then there is no intrinsically bounded case, and without a bounded case, there is no case study (Merriam, 2009).

Mergers as Bounded Systems

The consolidation efforts that created Consolidated University is a bounded system, both by institutional boundaries and the timing of specific events. Two institutions were involved and both were part of the State System of Higher Education. Additionally, the case of Consolidated University was announced as one of the original four mergers by the chancellor of the Board of Regents in January 2012.

While the CU consolidation has an original announcement date and followed approximately the same time frame as the other mergers announced at that time, it is difficult, if not impossible, to put an ending date on the merger process. Organizational changes can be complete, processes integrated and policies and procedures combined, but the impact of such significant changes can be seen for years after a merger is declared complete. Identifying and analyzing these changes will provide important information for the study, but they may not yet be observable as it is still early in the post-merger timeframe. While the midterm and long-term impact of this case is important to consider, the purpose and research questions are focused on the process of consolidation; thus, the lack of an ending date to bind the event is not a meaningful limitation of the study.

Site and Population

One consolidation was selected as the site for this study. The population from which this site was selected consisted of institutional consolidations of higher education institutions in the United States that took place between 2000 and 2012. Because of the sometimes subjective nature in classifying a strategic change as consolidation, or specifically an acquisition, merger, or strategic alliance, any strategic changed that involved the legal dissolution of one entity and a transfer of assets to another entity – new or existing – was considered a consolidation. The site selected for this study was the consolidation of Southern State College and Southern State University into Consolidated University, announced in 2012 and completed in 2013.

Consolidated University, 2012

Consolidated University (CU) was created in 2013 when the Board of Regents consolidated Southern State College (SSC) and Southern State University (SSU). The schools were located within a 30-minute drive of one another. This created a challenge in identifying

realistic synergies since students could not be expected to commute between the two campuses and two different campuses still required duplicate staffs in many student services and facilities operations. However, while operational efficiencies were still important to identify and achieve, these were not the primary objectives of the SSC/SSU merger. The Board of Regents saw this consolidation as an opportunity to bring two institutions together that could optimize enrollment and space management by combining facilities and programs.

While the two institutions had many similar attributes, the merger was a significant undertaking. The schools created 70 working groups to tackle issues from identifying a new mascot to working through curriculum changes and implications of the merger (Diamond, 2013). Prior to the merger, both SSC and SSU, SSC was an open-enrollment institution with a defined mission to provide access to higher education, mostly associate degrees, for the citizens of a geography that may not otherwise continue their education after high school. SSU, however, had a more selective admissions process and offered a number of bachelorette and master degrees. It was important to both institutions and the Board of Regents for those missions to remain primary missions of the newly created institution.

Overall, according to media reports, opinion articles, social media posts, and students, faculty, and staff blogs and reports, as the attention turned from the announcement of the merger to the process of implementing the merger, faculty, staff, and students remained optimistic (Diamond, 2013). This certainly does not mean there was a lack of questions, challenges, and delays, but the ability of these constituencies to see the challenge of consolidation as an opportunity to improve the educational offerings to the local citizens may prove to be a primary factor in how successful the merger ultimately becomes and how smooth the implementation process goes.

Data Collection

The primary data sources for this study included interviews and document analysis. While the interviews provided the most meaningful and specific information, as Yin (2009) stated, documents are often needed to corroborate data obtained in interviews.

Interviews. Interviews can be the most important source of data for a case study (Yin, 2009). As such, it is critical that the researcher have the necessary skills to engage an interviewee in a way that produces the most accurate and useful information. The length of an interview or the words transcribed is not the measure of a good interview, but rather, the quality of the data that comes from the interview (Marshall & Rossman, 2011).

Yin (2009) describes three types of interviews: in-depth, focused, and structured. The differences between these types of interviews lie in the level of detail the researcher is attempting to reach as well as the strictness of the interview protocol (Yin, 2009). An in-depth interview may take place over several sessions with the conversation leading down a variety of paths, many perhaps unanticipated by the researcher. A structured interview requires much less time and is more like an in-person survey. The questions are specifically and intentionally written a certain way, the interviewer reads them as written, and records the answer as given. The focused interview, or what Merriam (2009) calls semi-structured, is the middle group between in-depth interviews and structured. A focused interview will have guiding questions, written more to direct a conversation than elicit specific, short answers (Yin, 2009).

Each of these interview types has its own strengths and is appropriate in different scenarios. One is not better than the others, but rather, the most appropriate type of interview depends on the needs of the researcher and the evidence that might be collected from a specific participant (Yin, 2009). They could all be placed on a spectrum with the detailed, specific

evidence that can come from in-depth interviews on one end and the specific, broad evidence produced by structured interviews at the other, with the focused interview in between.

Consistent with Yin's (2009) statement that interviews can be the most important source of evidence for a case study, they were the primary source of information for this study. While a single site – Consolidated University – was used, there were essentially four organizational perspectives it will be important to understand. The leadership and staff of the Board of Regents is the group that, under the direction of the chancellor, decided which institutions would merge. From that group, I selected six individuals to interview. According to the chairperson of the task force, these six were the most involved in discussions and analyses at the system level. Most of those interviews were focused interviews, with the most in-depth interviews being with the chair of the task force.

The other two organizational perspectives I sought to understand were each of the institutions', pre-consolidation. One site in the study, two years ago, was two separate institutions. This means there were three important organizational perspectives to understand – each institution before the consolidation and then the single institution once consolidation was complete. Part of the selection process for identifying participants from those institutions was finding individuals that could provide insight as a member of one of the two institutions pre-merger, as well as their perspective as a member of the new institution.

One of the first instructions given by the Board of Regents to each set of institutions was to form a task force with representatives from each stakeholder group. The chairs or co-chairs of these task forces were included as participants, as was the president of the new institution. Members of each institution's consolidation task force were interviewed, as were a sample of staff and faculty. Many of these participants were identified via snowball sampling (Merriam,

2009), a sample selection technique that involves participants already involved in the study

referring other potential participants that may provide additional, useful data.

Thirty-nine interviews, ranging from 30 minutes to two hours, and including members of

faculty, student, institutional administrators and system administers were the primary source of

data. Additionally, emails, meeting minutes, media reports, and other documents were analyzed

to help clarify and support the assertions made by interview participants. Twenty-seven were

conducted face-to-face in the individual's office or, more often, in a nearby location comfortable

for the participant, such as a coffee bar or conference room. The few interviews that did become

more in-depth began in-person and then continue, at a later date, via telephone. The extent of

these interviews, in each stakeholder group, provided data to the point of saturation (Yin, 2009),

where I noted each additional interview added little, if any, new information, and rather

confirmed the data already collected.

Many faculty members were concerned with potential consequences of participating in

the study. Some refused to be recorded, so more of an effort was made to take copious notes.

Others agreed to be recorded since they would be referred to very generally, but because I

originally only planned on interviewing four faculty members and their answers were quite

different, I increased the number of faculty participants to 15, to ensure I collected sufficient data

from faculty and could increase the chances for anonymity. Table 2, below, reports the number

of participants by position and pre-consolidation affiliation.

Table 2. Number of Interviews by Association

	Pre-consolidation Association			Total
Role	SSC	SSU	SSHE	39
Staff	3	3		6
Faculty	7	8		15
Administrators	3	5	6	14
Students	2	2		4

Because the interviews were designed as focused interviews, meaning 4-5 key questions would be asked, but discussion of other topics may occur, Yin (2009) discussed three critical tasks for the interviewer. They are: (a) follow the line on inquiry as dictated by the study protocol; (b) as the interview turns conversational, ensure the questions are still asked in an unbiased manner; and (c) keep the interviewee focused on the evidence relevant to the study (Yin, 2009).

The questions that were asked in the interviews for this study can be categorized into three types: planning, implementation, and assessment. Because the questions covered a wide range of activities, the questions asked from the interview protocol depended on the participant's (i.e, faculty, administrators, etc.) role or position. The Board of Regents approached these consolidation efforts by conducting their analysis to identify institutions to merge and then left implementation to the institutions. Thus, much of the interviews with the Board of Regents' participants were based on planning, while interviews with campus participants focused more on implementation and assessment. No single interview focused solely on one phase of the merger, and it became important to consider the role and experience of each participant prior to the interview and identify which evidence they were best positioned to provide and use that to determine their specific interview protocol. Appendix B outlines a number of planning,

implementation, and assessment questions, many combination of which were used to structure a specific interview, depending on the participant.

Because students may experience the consolidation process different than administrators or faculty, a different set of sample questions was used to start their interviews. Specifically, student questions included:

1. When and how did you first find out about the consolidation?

2. What was your initial reaction, and the reaction to your peer group?

3. Did you see any changes in the classroom or administrative processes? If so, approximately when did they begin?

4. How do you feel the consolidation process impacted your learning experience?

Most interviewers were recorded with a digital audio recorder. Some participants willingly signed the informed consent and allowed me to take notes, but were not willing to be recorded. While the other interviews were being recorded, I took handwritten notes, highlighting certain thoughts, words, or phrases to use later when the transcribed interviews were coded. These field notes (Merriam, 2009) are an important reference point when the transcribed interviews were reviewed, as they provided importation context or behaviors of the interviewee when certain things were said.

When most of the interviews were complete, I selected 12 that I considered had the most content and data and transcribed them myself, using an application provided by Google. This application allows the user to select an audio file, which is then played back at a pace determined by the transcriber and provides keyboard shortcuts to pause, play, and rewind. This application can be downloaded and used locally (versus online), so the audio file never leaves the local computer system and risks getting left on a Google server. The remainder of the interviews were

transcribed using a local service. For these interviews, an online sharing application was used

that allowed the transcriber to listen to the file, but not download the file. I also used

pseudonyms with the transcriber, so while they may have heard names of other individuals in the

interviews, they were not aware of the name of the individual being interviewed.

      Document analysis. While interviews may be the most important source of evidence for

this study, alone they did not provide the data necessary to produce an accurate case study.

Participant bias, emotion, and role can all frame the way participants experienced the

consolidation, so two different individuals may have reported different facts, simply because

their recollections differ (Yin, 2009). Thus, triangulation – using multiple methods of data

collection and using them the corroborate findings – becomes an incredibly important part of

data collection and analysis in this study (Yin, 2009). In addition to the interviews discussed

earlier, the other source evidence for this study will be documents.

      There are a variety of types of documents available for review in this study. The

creation of CU were heavily covered by the local, and some national, media and higher

education-related news outlets (Blumenstyk, 2009; Board of Regents of the State System of

Higher Education, 2007; Diamond, 2013). Some of these articles focused more on unbiased

reporting while others were clearly opinions of editorial staffs or letters from community

members, students, faculty or staff. These media reports played the important role of providing

insight not available through interviews, although that additional information comes at the cost

of questionable trustworthiness and stated or unstated, bias and opinion.

      In addition to media reports through local, national, and higher education industry outlets,

there was a variety of social media sources. These were not used in isolation, but rather to

triangulate data collected through interviews and document analyses from official sources.

Triangulation is a method encouraged by Merriam (2009) where multiple sources of data are collected and analyzed for support of one another to increase trustworthiness. As discussed by Jones et al. (2014), social media provides a tertiary source that researchers can use, if appropriate, to further identify the trustworthiness of other spoken or written statements. Other documents were also available. Emails from SSHE to institutional administrators and from those administrators to students, notes from board and task force meetings, and memos written summarizing discussions or meetings provided additional evidence that, taken with other available documents and the evidence from the interviews, provided accurate evidence to rely on when reporting the findings of this study.

Perhaps more important than the media reports and social media accounts are the official documents pertaining to the consolidation, such as Board of Regents' meeting minutes and state and campus-level task force's minutes. These minutes provide sufficient detail to corroborate the most important points of facts gleaned from interviews and also include evidence not included in any participant's interview. In addition to the minutes from these meetings, any analyses or presentations discussed were available for review. One potential challenge of using these documents was that there was no way to ensure all documents related to the consolidation were given in response to my request for documentation. While there is no reason to suspect I was not provided complete access, there is likewise no way to determine that I was. However, after analyzing the documents provided by the institutions and SSHE, I believe they provided a comprehensive and detailed account of the discussions, meetings, and decisions made during the course of planning and implementation.

Institutional Review and Approval of the Study

Approval to conduct the study was obtained from the University of Tennessee, Knoxville

Institutional Review Board (IRB) before any data was collected. The approval process is now

online, but the prior "form B," used for expedited requests was written prior to the online

requirement and was the source of the information entered into the online system. The approval

letter for this study from UTK IRB can be seen in Appendix C. Beginning in fall 2014, UTK

IRB also began requiring studies involving other organizations to receive a signed letter of

agreement to participate in the study. These letters, each signed by a primary contact from the

Board of Regents and CU, are provided in Appendix D.

Data Storage and Security

For the type of information collected in this study, adequate data storage and security

protocols are important for two primary reasons. First, participant interviews include sensitive

information, and whether that information is maintained as a transcript or an audio file, it is

important to protect the participant. Second, it is important to keep the data secure to ensure that

no information is lost, manipulated, or the trustworthiness of the data is otherwise jeopardized.

For these reasons, the data has been stored electronically within a password-protected software

package called QsR NVivo. That software was installed on a laptop that was also password-

protected.

QSR NVivo allows the user to upload audio files, transcripts, pictures, video clips, or any

other electronic file. Once uploaded, changes to the file are tracked and a version history is

maintained. The user is able to annotate, code, and analyze data, but the original file is always

maintained as a separate copy, so it is always possible to compare the annotated or modified

document to the original. Each file uploaded becomes part of an NVivo file, which again,

requires NVivo software to be accessed and will be stored on a password-protected laptop. Not only does such software make the data collection, analysis, and coding processes more efficient, it can also improve the quality of the study by helping eliminate mistakes and identifying trends or connections not immediately identifiable to the researcher (Creswell, 2014).

Data Analysis

Qualitative coding techniques, defined below, were used to analyze the data collected in interviews and documents. As previously stated, the primary purpose of the study was to identify the practices that can help improve the chances of a successful institutional consolidation in higher education. Coding interviews and documents have assisted in identifying key decisions, events and participants' perceptions on how those decisions and events impacted the outcome of the consolidation effort.

To thoroughly and systematically organize and analyze the data, open, axial, and selective coding was used. Open coding consists of reviewing the evidence and identifying core themes or ideas (Merriam, 2009). In open coding there is no need for the ideas to be related; the goal of open coding is simply to identify the highlights or key pieces of evidence. Axial coding takes those pieces of evidence and categorizes them into similar constructs or categories (Merriam, 2009). It is during this phase of coding that the pieces of evidence identified during open coding become linked together and patterns and themes may begin to emerge. Finally, selective coding consists of identifying which of the themes and patterns identified during axial coding may actually establish a pattern or theme (Merriam, 2009). At this point, what was once a vast collection of interviews, documents, and notes are organized into themes that can be articulated and reported.

Utilizing this coding methodology resulted in progressively narrowing down and categorizing bits of data into broader, more practical themes. This process follows the traditional approach presented by Tesch (1990) and that continues to be encouraged by Merriam (2009). This coding process was completed using QsR NVivo, a qualitative data analysis package that automates much of the classification and organization steps of coding.

Through the inductive process of coding described above, analyzing the data from interviews, documents, and other salient sources, it became possible to derive patterns and themes (Patton, 2002). These patterns or themes have become the basis for the analysis of the trustworthiness of applying the process perspective to higher education mergers.

Pilot Tests

Creswell (2014) discusses the importance of pilot testing for survey instruments as a method of ensuring content validity (2014). While this study did not use surveys, but rather gathered data through interviews and document analysis, pilot testing was still important to form the general framework of the questions asked, and even identify the most appropriate terms to use and avoid during the interviews. Terms such as *merger, acquisition,* and *target*, as well as adjectives that describe each institution prior to the consolidation, like *larger budget, higher enrollment, better programs,* and *higher rankings*, can trigger emotions that may have taken away from the accuracy of the evidence obtained in the interviews. In addition to helping identify the best way to frame interview questions, pilot tests were "formative, assisting you to develop relevant lines of questions – possible even providing some conceptual clarification for the research design" (Yin, 2009, p. 93).

Prior to beginning work on this study, I conducted a similar research project at a different institution as a course requirement. In that research project, I approached the participants and

used questions the same as I would have in this study. This provided the opportunity to analyze the data, but also visit with the participants about the questions and consider their feedback. While the interview protocol did not change significantly, it was certainly improved through the feedback from the former research project participants.

Findings

A common criticism of the case study methodology is that the findings are not generalizable to a larger population (Flyvbjerg, 2006). The criticism certainly applies in this study; a future institutional merger in another state or system of higher education cannot, nor should not, look at the findings from the single case in this study, and generalize that finding to a new situation. However, as Yin (2009) explained, "case studies, like experiments, are generalizable to theoretical propositions and not to populations or universes" (p. 10). Yin's (2009) explanation can be applied to the findings in this study by suggesting that they are not generalizable to all, or even most, institutional mergers in higher education. However, perhaps more importantly, what the findings of this study do provide are results generalizable to theoretical propositions; in this study, the validity of the process perspective of consolidation. Supporting the usefulness of the process perspective can be applied to the specific and unique circumstances of future consolidation efforts in higher education.

Delimitations

This case study is delimited to a small sample of public institutions. While the presentation and discussion of this research is focused on one institution – Consolidated University – in a sense, four institutions were involved in the study: Southern State University, Southern State College, the SSHE, and Consolidated University. Each of these institutions differed in the degree to which they shared primary missions, the size of their student body, their

program offerings, and other factors that make the results of this study applicable to these cases, and may not be as applicable to other public institutions.

This research was further limited by its study in a state with a Board of Regents that had proactively searched for opportunities to use consolidation as a strategy for change in their higher education system. While other cases of higher education consolidation exist, many are not based on a proactive analysis of strategic change possibilities, but rather a reactive solution to a financially troubled institution. For example, in 2010 the College of Eastern Utah merged with Utah State University, not because of a strategic initiative; but instead, without additional financial support the College of Eastern Utah would have entered into financial exigency – the government agency equivalence of bankruptcy. This important difference introduces a certain amount of strategic consideration and decision making that may not exist when the primary objective is simply survival of an institution.

Limitations

There were three primary limitations of this study that are important to acknowledge. The primary source of data was interviews from participants, and as participants in an organizational event as significant as an acquisition, they may have been personally affected, for good or bad, which can lead to bias. They are also being asked to recall discussions, decisions, and feelings from the past. Their individual experiences since the acquisition could cause them to reframe their opinion of the consolidation. Additionally, while participants may have noticed changes in their workplace, they may not have recognized that those were due to the consolidation. Conducting multiple interviews and corroborating the evidence from interviews with documents will both be used as methods of controlling this bias. According to Yin (2009), this participant bias is a challenge with any case study focused on a phenomenon related to

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organizational theory; however, just because it is a common limitation it is no less important to identify and correct.

The second limitation is the potential sensitivity of opinions that participants may be asked to share. As discussed earlier, the names of institutions will be disguised, which will make it more difficult to identify quotes from individuals. While individual participants will be protected with pseudonyms and titles will either not be used or extremely general (i.e. "an institutional administrator" instead of "the provost"), the possibility of being identified may limit some participants sharing of personal opinions or experiences.

The third limitation was astutely noted by Jansen (2002) in his study of higher education mergers in South Africa. Jansen began his research of five mergers, two of which occurred in 1998 and the others in 2001, and quickly became aware of the importance to consider the variable of time since the merger. Being able to define *outcomes* and *successes* depended heavily on the type of objective (e.g., financial, academic, strategic, operational, and political) and the time that had passed since the merger took place. In the present study, the merger that created CU was finalized in 2013. Outcomes and results of consolidation in higher education can take years, even decades, to materialize, which is why this study focused on documenting the process of consolidation. Future researchers, at different times, will be able to reflect on this data and identify how these processes may have impacted the results 5, 10, and even 20 years and longer into the future.

Trustworthiness

Triangulation – using multiple sources of evidence to corroborate one another (Yin, 2009) – was a critical part of ensuring appropriate data was used to analyze the data in this study. According to Patton (2002), "either consistency in overall patterns of data from different sources

or reasonable explanations for differences in data from divergent sources can contribute significant to the overall credibility of findings" (p. 344). The subjective nature of the primary data source for this study – participant interviews – made this difficult. A number of participants differed on their opinion of how a decision or event impacted the outcomes of the consolidation, making it difficult to identify adequate evidence that supported the connection between decisions and their impact on the consolidation process. This is one reason there were extensive interviews – 39 to be precise – to establish what Patton (2002) calls "consistency in overall patterns of data" or, at a minimum, "explanations for differences in data" (p. 344).

Member checking is another technique that was used to ensure accurate data. Member checking (Jones, Torres, & Arminio, 2014; Merriam, 2009; Yin, 2009) includes having participants review the data collected to verify that the researcher collected is accurate and captures the participant's experience. A risk that exists when participants see their statements in writing is that they may wish to withdraw or modify their statement, but this risk can be mitigated by ensuring that the report of findings adequately protects the participants' identities (Jones et al., 2014). Because of the heavy reliance on interviews during this study, member checking was critical to ensure participants are given the opportunity to review and clarify their statements (Jones et al., 2014; Marshall & Rossman, 2011; Mertens, 1998). Selected quotes and analysis of the data collected were provided to participants for review. I did not provide participants the entire interview transcript for review.

A critical part of the data collection for these case studies was document analysis. Document analysis includes carefully reviewing minutes from meetings, media reports, memos, and other written communications – both formal and informal – for data applicable to the study (Merriam, 2009). Because the case presented in this study was conducted as part of a strategy

initiated by a public agency, documents that discuss the objectives of the consolidation efforts, the process used to implement the consolidation, and media reports was also available as evidence. These documents became an important source of corroborating evidence and helped ensure the accuracy of interviews, as well as assisted me in identifying any bias in the interviews.

Summary

As a qualitative research methodology, case study has strengths and weaknesses. While it may be criticized for not being useful in scientific generalizability or taking too long to produce unpublishable documents, if conducted with sufficient rigor and based on a defined protocol, case study can generate detailed descriptions of a contemporary phenomenon that can lead to new or different theories (Flyvburg, 2006). The intent of this chapter was to establish such a protocol for this study and set forth the rigorous methods that were used to collect data. This data was then analyzed based on the procedures discussed in this chapter to identify themes among the data and summarize those themes as findings, generalizable not to any population, but to the usefulness of the process perspective in higher education consolidations.

Chapter 4: Findings

Faculty members tend to be logical individuals. If it isn't broke, don't fix it, and nothing was broke.

– Jim, Faculty Member

We were excited about these consolidations and wanted to give the institutions' administration the opportunity to create a new university that addresses the needs of higher education in the 21st century. You just don't get the chance to tear two institutions down and create a new one.

– Kelly, System Administrator

This chapter presents the case of the creation of Consolidated University as experienced by faculty, staff, administrators, and students from both SSU and SSC, as well as administrators from the SSHE. The two epigraphs that introduced this chapter highlight the differing perspectives on a continuum that described how participants felt about the consolidation. However, while these divergent views did exist, when participants were asked to reflect on the consolidation and what had occurred since, and answer either *yes* or *no* to the question "was the consolidation a good thing?" the majority of participants answered, with varying degrees of enthusiasm, "yes." For example:

- "At the end of the day, I'd probably say yeah." – Andy, System Administrator

- "Yes, because we are able to do so much more. We will graduate more students. We will graduate students with greater possibilities. We've even had some of our upper-level people move on to jobs that I'm not so sure that without the new experiences that they would have been as marketable." – Ed, Institutional Administrator

- "In essence, I think it's been successful and I'm very proud of being part of that effort." – Stanley, Faculty Member

While these quotes are similar to many participants' responses, they should not suggest a smooth, noncontroversial process throughout the consolidation. These same participants

reflected on feelings of uncertainty, isolation, and cynicism as they experienced the announcement, planning, and implementation of the consolidation. Throughout this chapter, quotes from the participants, evidence from documents, and analysis of both will be presented to relate the experience of creating Consolidated University (CU).

Findings

The story of CU's creation can be divided into four phases: the consolidation announcement, post-announcement and institutional planning, implementation, and the assessment of post-consolidation outcomes. This chapter is organized chronologically based on those four phases. After analyzing the interviews and documents, three primary findings emerged. At the point in the case they each become most evident, there will be a break in the chronological reporting of the story and that theme will be presented and discussed. Throughout the rest of the chapter, as more evidence emerges related to that theme, appropriate references will be made.

Phase 1: Consolidation Announcement

The first time the term *consolidation* was used in any official capacity was the SSHE chancellor's September 2011 report to the Board of Regents. While discussing the future of the system, after having visited campuses throughout the state, the chancellor stated:

> Looking ahead, we must ensure that our System has the appropriate number of campuses
> around the state. We need to be organized in ways that truly foster service to our students
> in the most effective way and that ensure our faculty are properly deployed and
> supported. Therefore, I believe it is time for the system to study if campus consolidations
> are justified and will enhance our ability to serve the people of [the state] at less cost.
> Our staff will begin right away to assess if any campus consolidations would further our

teaching, researching and service missions in a more fiscally prudent way. (Huckaby,

2011)

From the time this comment was made in September 2011 until the names of the first eight

institutions were announced via press release in January 2012, the faculty, staff, and leadership

of all 35 institutions in the state wondered how, or if, the consolidation plan would affect them.

On January 5, 2012, eight institutions were informed they would be part of the first wave of

consolidations. The press release stated, "The State System of Higher Education chancellor…is

recommending to the Board of Regents that eight of the System's 35 colleges and universities be

consolidated. The Board will act upon the recommendation at its January 10-11 meeting."

(Board of Regents of the State System of Higher Education, 2012) That introductory statement

was followed by the names of eight of institutions.

Participants were asked to recall if, prior to the January 5th announcement, they suspected

SSC or SSU might be involved in the consolidation effort. Many succinctly answered "no,"

while a few elaborated on their thoughts and discussions they had with colleagues. For example,

two faculty members from SSU, Angela and Ryan, shared similar perspectives. Ryan stated as:

I think when you are that vague in a big announcement, everyone is going to wonder if

they are in the crosshairs, but I don't think many people around here worried that much

about it. Most of the chatter was about SSC being merged with [another institution], but

not with us.

Ryan's confidence that SSU would not be consolidated demonstrates a sense of superiority that

is seen with other participants as well. This was not a demeaning sense of superiority, nor was it

focused on describing SSC or other institutions in a negative light, but simply highlighted the

strong sense of tradition and pride many participants had at SSU. This becomes more evident

when considered with the views of another SSU faculty member, Pamela:

> No; it seemed there was little reason to merge us with SSC. We were one of only six
>
> [unique mission] focused institutions in the country. We had a clear mission and we were
>
> successfully accomplishing that mission. There was no compelling evidence that
>
> suggested there were any benefits from including us in any consolidation.

While none of the respondents from SSU said they expected to be part of a consolidation,

Pamela and Ryan presented a possible reason why that was the case. They both saw a clear

distinction between SSU and SSC; more specifically, a distinction that favored SSU. That

distinction was SSU's focused mission and selective admissions in comparison to SSC's open

admissions, access-focused mission, with a limited number of four-year degrees.

Most of the participants at SSC also said they did not expect "to be touched," but for

different reasons. As one SSC administrator, Steve, commented, "It wasn't so much that I didn't

think we would be consolidated, it was more about the number of mergers somewhere else in the

state that made more sense." This sentiment was shared by a Steve's colleague, Kevin:

> The people and money in the state have been moving [our direction] for the last decade,
>
> so I totally thought the chancellor was just setting up an announcement that a bunch of
>
> institutions in the [other] part of the state would be stripped down and become satellite
>
> campuses of another school.

Like the faculty members at SSU, the administrators at SSC did not anticipate being a part of the

chancellor's strategic consolidations, but for different reasons. It was not that they felt they

should not be part of a consolidation; they just deemed other institutions as much more

susceptible to consolidation. When asked why other institutions seemed more likely to be

consolidated, Pamela, quoted above, cited enrollment decline and financial issues with institutions in the southern part of the state. This was an early indication of what will be discussed in more detail below as Theme 1 – a number of participants outside of the SSHE were uncertain about why consolidations were being considered. Based on the chancellor's September 2011 comments, it was about cost-savings and being "financially prudent," which meant too many participants believed if their institution was not struggling financially, they would not be consolidated.

Whatever the reason, no participants at either institution acknowledged that they expected their institution to be involved in any consolidation, including senior administrators. Then, the January 5th announcement was made that included SSC and SSU being consolidated into a single institution.

Initial reactions among faculty and staff were nearly unanimous: "I was absolutely shocked." Other terms and adjectives used to describe emotions included "dumbfounded," "stunned," and "my jaw hit the floor." The participants realized, for the first time, that they were on the front end of an immense organizational change that none of them had any experience navigating.

Even some institutional leaders, who were actually told about their consolidation sometime between "January 2" and "a couple days before the announcement was made," acknowledged the public announcement gave the consolidation a new sense of intensity. One SSU administrator, Toby, stated, "I didn't fully comprehend the magnitude of what we were going to go through."

Theme 1: The role of uncertainty. The first theme to emerge was the role of uncertainty. It became apparent that uncertainty related to the consolidation announcement, such

as who it would impact, what it meant, when more information would be released, to whom, and why consolidation was being considered weighed on the minds of institutional employees. In addition to the anxiety and stress caused by the uncertainty, it also left people with little information to use when setting their expectations of how their institutions would be impacted by the consolidation strategy.

As the earlier quotes from participants illustrate, the uncertainty around the consolidation strategy allowed them to set their own expectations, which ended up being significantly different than the reality of the January 5th announcement.

One mid-level SSC administrator, Jenna, shared how the difference between their expectations and the reality after the announcement impacted the work environment:

No one could focus. It was like flipping a switch from everyone doing their jobs to everyone coming up all kinds of scenarios of what all this meant. One question or comment opened up an entire can of worms and soon we worked ourselves into a hypothetical scenario where none of us had jobs. Distraction isn't enough of a word to describe it; almost everyone took their eyes off their jobs and just focused on what we didn't know.

Jenna experienced what an uncertain future about an organization can do to individual employees and how the gap between many people's expectations and the reality after January 5th can immediately change the workplace. Administrators experienced members of their staff losing motivation and becoming distant from their work as they created a hypothetical negative outcome. While the uncertainty felt by participants prior to the announcement was a distraction, the certainty that their institution would be involved in a consolidation turned the uncertainty about "us" [the institution] to uncertainty about their own personal and professional futures.

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Students reported being interested in what was happening, but showed less concern about the day-to-day impact of the consolidation. For them, it was almost exclusively about how the change would impact others' perspective of their educational accomplishments. One SSU student, Rainn, explained a concern they saw as common among their classmates, that the open-access mission of SSC might "water-down" SSU. Rainn shared, "Me and the school senators I talked to had the same question: Will SSC students become SSU students, automatically, then water-down the reputation of SSU?"

While maintaining a certain degree of status over SSC was one of the concerns of SSU students, SSC students also had practical concerns. More of the SSC students were commuter students, meaning the logistics meant more to them, as demonstrated by Dwayne, an SSC student that said "the only thing I heard being talked about with the [SSC] was if they were going to shut down our campus and move us all to [SSU's city]. That, and the rumor that next year tuition was going to double since we were now SSU."

These excerpts from student interviews reveal data that support at least two of the themes. First, there was a significant degree of uncertainty among students, even though their specific concerns were more status-related than faculty and administrators, who tended to speak about impacts to the institution. Second, students were receiving communication primarily from their instructors, whom, as discussed below, were themselves uninformed about the consolidation, at this point in time.

There are also secondary themes that emerge from these students' perspective. Both students, Dwayne from SSC and Rainn from SUU, saw a distinction in the status of each institution. In the interview with Rainn, there was not a sense that they were looking down on SSC students as individuals, but there was certainly the perception that SSU was a more selective

institution, which in fact, it was. Even Dwayne acknowledged a status differential when they

automatically framed the consolidation as a takeover and stated "…we were now SSU."

Other students shared the impact they saw from the announcement, but they were

derivative effects – not actually something directly tied to the consolidation announcement, but

the impact the students felt from faculty and staff reactions. Julia, another SSU student, stated:

> Sometimes it felt like our teachers were trying to rile us up, like if the students made a
>
> big protest it wouldn't happen. I'm sure some students liked the drama but especially
>
> early on in the spring term [of 2012], I felt like I wasn't being taught any material, just
>
> being told my education was on the line.

Julia's report demonstrates a direct, non-financial cost of consolidation: a temporary drop in the

quality of education, for at least as long as faculty and students remain distracted. While the

preceding quote came from an SSU student, the same classroom distractions were occurring at

SSC, as evident by Lane, an SSC student: "it was definitely the talk of the campus. Before class,

after class, sometimes *in* [emphasis added] class, professors would bring it up."

Along with uncertainty related to the consolidation initiative, there was also uncertainty

about how SSC and SSU fit into the state's systems of higher education. As the earlier quotes

demonstrated, there was an expectation by SSU faculty and staff that if they were unique

enough, the state system would not include them in the consolidation. Likewise, participants

from SSC displayed uncertainty surrounding the intentions of the Board when they based their

expectations on a faulty assumption: that the SSHE was looking at mergers as an alternative to

closing institutions and to save some money.

As a theme 1 summary, the theme of uncertainty effecting all participants, from each

stakeholder group, from both institutions, was evident from the interviews and the focus each

participant placed on the "what if" and "why" questions they had as they reflected on the time of the announcement. For faculty and staff it was in terms of lost productivity and distraction and for students it was in terms of instructional time being used to discuss the consolidation. Early in the interviews, participants' concerns, rooted in uncertainty, emerged as a significant theme and as is discussed throughout this chapter, remained a primary source of distraction throughout the planning and implementation processes.

Consolidation announcement: SSHE perspective. While the lack of campus involvement may generate questions about shared governance and campus autonomy, some system administrators' comments suggested that this was a decision intentionally made well before any task force was created. All of the study participants from the system were also members of the system task force. One member, Erin, shared "Our group did not sit and debate whether or not we were going to pursue consolidation. We had decided to do it, and the chancellor had announced publicly that we were going to do it and look at it, and it was really a no-brainer."

This concept that institutions face uncertainty when defending their role in a larger system was emphasized by another system administrator, Andy:

Another thing that you will probably see is every institution has a certain self-worth meter that they think they are as good as whatever, and putting somebody else with them, they compare it in a way that is like they're not really in our league, so to speak…I've told campuses you need to stop comparing because you are one now and they are you, so you need to start thinking about how you can advance the mission of the new organization, the new institution and not think of yourselves as being this elite group that now has a stepchild or whatever. They're hard on each other.

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The announcement invoked passionate, and varied, responses from participants from both the system and the institutions. The system's approach was, as described by Andy, "We're going to do this. Here's the data. Here are the institutions, and now let's tell the campuses. There was no campus involvement in deciding who was going to be involved." When asked why that approach was taken, Kelly, one system administrator explained:

In higher education, you get nothing done when you have committees studying things over and over again. That's the history of higher education. You just committee it to death and you never do anything. This was a decision that was a top-down decision. It's a Board of Regents' call. They're thinking about the system differently because of all these compelling factors about the demographics of our state and the money that we don't have to support 35 institutions any longer and we don't have students to support all those [institutions], and you have to take a very analytical viewpoint, understanding that we live in a very political state.

These comments suggest that even SSHE administrators were uncertain about where discussions with institutions would lead, if the topic of consolidation were introduced. The statement that in higher education, administrators dealing with a decision they may "committee it death," may have been justification for making decisions without input from everyone involved.

At least one organized group at the system level, the SSHE Faculty Council, was concerned enough about the consolidation issue before any of the institutions' names were released. The council passed a resolution in November 2011 stating:

The SSHE Faculty Council recommends to the chancellor and the SSHE chief academic officer that representatives of faculty and academic officers of those institutions most likely to be considered for consolidation be included in discussions and deliberations

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involving consolidation. The SSHE Faculty Council is hopeful that the missions of those

institutions that are considered for consolidation be included during consolidation

discussion.

The minutes from the SSHE Faculty Council's February 2012 meeting reported, "Since

November we have had neither an acknowledgment that our communication was received nor

any comment from the chancellor regarding our proposal. It is the SSHE faculty council's

position that consolidations were proposed and are proceeding without sufficient faculty

involvement." The lack of a response from the chancellor left the faculty council, not only

outside of the inner circle discussion the consolidations, but also convinced that there was a lack

of shared governance in the system, as indicated by the phrase "…without sufficient faculty

involvement."

The response from participants at Southern State College and Southern State University

when they reflected on such a significant decision being made without campus input varied

significantly among stakeholder groups. Comments by institutional administrators, such as

Pamela's statement, "if the system knew this was going to happen, they saved us a lot of time,

energy, and stress by just telling us to do it, rather than involve us in the decision process,"

indicated a more tempered acceptance of the consolidation directive than the much more heated

reaction of faculty. Many faculty participants shared their concern that this was a significant

violation of shared governance. A few were visibly upset recalling the days following the

announcement, such as Jim, the faculty member who said:

They [the Board of Regents] knew that it wasn't going to be well-received by any of the

affected universities, which is why they didn't ask for any input from us. And they

actually set up the timeline to guarantee we wouldn't be able to protest it. [They said]

there's going to be a consolidation between your school and this other school, and it's

going to be voted on by the Board of Regents next Tuesday. Oh, and sorry, it's too late

to get on the agenda for that Board of Regents meetings. You have to submit [agenda

items] 10 days in advance, and we took pains to make sure we didn't tell you until they're

only five days out before that Board of Regents meeting to vote on it. They were within

the letter of the law. They just violated the spirit of it.

Jim was visibly upset that there was no institutional input in the decision. His comments go so

far as to accuse the Board of Regents and SSHE administrators of timing the announcements to

block input from the institutions and the public. While the motivation of the timing of the

announcement was not discussed with SSHE administrators during their interviews, an analysis

of SSHE policy did confirm that agenda items from institutions are required to be submitted 10

days in advance and there were only 5-6 days between the announcement and the board meeting,

and nine days between the time senior administrators were told their institutions were involved

and the board meeting.

This was not the only passionate response from faculty members as they reflected on

their lack of involvement in the decision-making. Another faculty member, Cesar, shared, "I'm

not talking about the specific decision, but how the decision was made completely violated

shared governance." However, only a minority of faculty members felt the same about their

involvement in the implementation of the consolidation – a task that was completely in the hands

of the institution.

Phase 2: Post-Announcement and Institutional Planning

Once the announcement about which institutions would be consolidated was made, the

SSHE became a resource for the institutions as the institutions took the primary role of planning

and implanting the consolidation. The SSHE had prepared a presentation focused on the

principles of consolidation and stayed in close contact with the institutions as plans developed,

but there was no prescribed process the institutions needed to follow. Referring to the second

epigraph that began this chapter, the approach of the SSHE as it came to implementation was to

have the institutions' administrators work together to "create a new university."

Principles of consolidation that essentially answered the "why consolidate?" question,

were released by the Board of Regents in November 2011, half way between the chancellor's

September announcement that consolidations would be explored and the January 5th

announcement that the Board of Regents would be addressing the list during their January 10-11

meeting. The six principles of consolidation, which the Board approved and participants from

the system highlighted included:

1. Increase opportunities to raise educational attainment levels;

2. Improve accessibility, regional identity, and compatibility;

3. Avoid duplication of academic programs while optimizing access to instruction;

4. Create significant potential for economies of scale and scope;

5. Enhance regional economic development; and

6. Streamline administrative services while maintaining or improving service level and

    quality. (Georgia Board of Regents, Press Release, November 5, 2011)

The challenges of clearly articulating the goals of consolidation while not committing or too

specifically addressing any single outcome are discussed in more detail in the *expectational*

ambiguity section of the next chapter. However, it is important to understand the messages

people sent and heard during the volatile time surrounding the announcement.

One of the standard questions that was asked of all participants was: "Why did the consolidation occur?" As answers to that question were analyzed, a pattern emerged from the replies from the SSHE participants and senior institutional administrators referring to the principles of consolidation. Faculty, staff and students seemed less aware of the original six principles discussed earlier, as their answers were less certain, such as "I assume because it will save money," "I guess someone thinks it will help the students," and "You'd have to ask the decision makers."

The six principles of consolidation were the focus at the system level as many of the SSHE participants either cited the six principles or named one or two of them verbatim and mentioned "there were a few others." However, at least five of the six principles of consolidation are generally focused on outcomes different than mentioned in the chancellor's initial consolidation discussion, in September 2011. In that report he stated, "I believe it is time for the system to study if campus consolidations are justified and will enhance our ability to serve the people of [the State] at *less cost* [emphasis added]" (Huckaby, 2011). This mention of "less cost" and the chancellor's earlier mention of managing higher education in a more "fiscally prudent" seemed to clash with the six principles of consolidation that were supposedly driving the strategy.

The idea of cost-savings was also perpetuated by other leaders in the system. The president of one of the other consolidated universities authored an article in which he acknowledged "the primary driver of this trend [toward consolidation] is financial pressure" (Azziz, 2013) As a leader who had led one of the first four consolidations in the state, this president could help eliminate some uncertainty be reiterating how the six principles set forth by

the Board of Regents were realized at their institution, but instead, "financial pressure" is again cited as a primary driver.

While the original message from the chancellor and system was that consolidation could be an opportunity to save money, the approved principles of consolidation barely referenced cost savings, only slightly indicating the possibility in the sixth principle. In the January 5, 2012 press release that reported the list of institutions to be merged, the chancellor's language had toned down from his earlier "campus consolidations would further our teaching, researching and service missions in a more *fiscally prudent* [emphasis added] way" and "serve the people of [the State] at *less cost* [emphasis added]" to "while a reduction in administrative costs and functions is a goal, [the chancellor] said the process will not be quick, but would take 12-18 months" (Board of Regents, Press Release, January 5, 2012).

Luis, a system administrator, reflected on people's early expectation that cost savings were the most important factor: "I think everybody's kneejerk reaction is 'Well, this is going to save us money.' That's bullshit [sic]. Pardon my French." However, that message made its way to the campus, with Luis also commenting:

> We sat in meetings and were told 'You come up with a million dollars of savings for each
> university.' I mean, that's the message we got; then we sat in meetings asking, 'Where's
> that going to come from?' Some just came from a president retiring.

Another discussion was documented in the notes of the SSHE Faculty Council meeting on October 27, 2012 – 10 months after the consolidations had been announced and implementations were underway. The minutes of this meeting read, in part, "Consolidations are going well, but no cost savings yet." This suggests that while the stated goals and principles of consolidation were focused on student educational attainment, access, and efficiencies, cost savings remained a

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focal point for a number of decision makers. One possible reason for this is that the first mention

of consolidation, in the September 2011 report to the Board, was discussed in the context of

lowering costs and fiscal expediency. Hearing those reasons for such a significant move could

have overshadowed the later, more official announcement of the six, non-financial, principles of

consolidation.

A more detailed discussion about possible reasons why these perspectives seemed so

different between the system participants and the institutional participants are presented in

Chapter 5 when *expectational ambiguity* is reviewed. In summary, because consolidation does

cause disruption, it can be better to be ambiguous early on, so decision-makers do not get

delayed by detailed discussions about specific topics. However, the theme of uncertainty shows

the other side of that coin, as employees are left with little information and often react negatively

towards future, unknown change.

Theme 2: Importance of consistent communication. The answers given by

participants when asked why the consolidations were happening brought to light another

important finding. People will judge their success and will be motivated by their progression

towards the end goals of a significant change. At a certain level – perhaps the SSHE and senior

administrators – those goals were focused on the six principles of consolidation. For other

institutional administrators and faculty, they became very focused on the cost savings goal,

voicing concerns over what some saw as a "change in tone" towards the consolidation initiative

on behalf of the chancellor.

Administrators and faculty both shared their concern that at certain times throughout the

consolidation, they felt they were being asked to accomplish different goals. The decisions made

when managing a consolidation are going to be different based on desired outcomes, and if those

outcomes change throughout the project, implementation will be inefficient. Ed, an institutional administrator, described it this way:

> Go back and look at the timeline. At first it was about saving money, college costing less, and saving students and the state money. Then it was quiet for a few weeks and they looked at the numbers. After that, it became about those 3-4 reasons for consolidation [the six principles of consolidation]. It was like they said it would save money before they knew it would, figured out it wouldn't, and instead of calling it off, just decided to justify it with reasons you can't really measure.

While Ed had followed the story about the consolidation in the newspapers closely and had printed out articles to show a number of quotes from the chancellor and others, they also took some liberty in connecting the dots. What actually occurred during the 3-4 weeks between the quotes about saving money and the release of the six principles of consolidation is unknown, other to those involved in the decision. While the last sentence of that Ed's quote is a plausible theory, there was no evidence in any documents analyzed to suggest the reason for the six principles of consolidation were to provide unmeasurable goals just to make the consolidation happen. However, Ed was not alone in their perceptions. Another administrator, George, from the other side of the consolidation stated:

> Again, I tried to stay above the rumors and didn't follow the issue too much before it was announced SSC would be part of the initiative, but I did feel like there was a change in tone over the course of a few months, from cost focused to accessibility and opportunity focused.

Looking at the timeline of comments and events, there seems to be evidence that could support what these participants said. This is not evidence that unequivocally supports their assertions,

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but as highlighted earlier in the chapter, before the principles of consolidation were released, there were at least four mentions of cost-savings. Only one of the six principles – the last one – suggests anything close to cost-savings as it reads, in part, "streamline administrative services."

As a theme 2 summary, the importance of clear, consistent communication becomes evident as the institutions began planning their implementation. Clearly stating and reinforcing the six principles of consolidation became key as administrators and their staff began dealing with how to integrate different policies, processes, and systems. As discussed in Chapter 5 when *activity segmentation* is summarized, it is essential that the people involved in taking the implementation plan and making it a reality clearly understand the reasons for what they are doing.

Institutional planning. On January 10, 2012 the Board of Regents unanimously approved the motion to consolidate eight institutions into four. Before that time, the institutions involved had not been involved in the planning of the consolidations, and there was a lack of clarity by many individuals at the institutions as to why the consolidations were taking place. Those institutional administrators were then reminded of the principles of consolidation and the responsibility for planning the operational implementation of the consolidation was turned over to the institutions.

After the Regents approved the consolidations, the leaders of the consolidations became the institutions, not the SSHE. Some resources were provided by the SSHE and occasional reports to the board were given by presidents of the consolidating institutions. But, other than specific deadlines for decisions like new institutional names, colors, mascots, and administrators, the SSHE took on a supportive role and the primary responsibility fell on the institutions to plan and implement their consolidation.

Repeatedly in interviews, whether from institutional administrators who had an institution-wide view of all the tasks to be completed or from faculty members who were focused on just one department, the magnitude of the change they were charged with completing in 18 months was intense. For example, Pamela shared:

> It was intimidating. Here we were, being told to do something that had rarely been done before, with no preparation and no guide. It must have been like climbing Mt. Everest for the first time. I don't know which way to go, don't know what to expect, not sure it's a good idea, and if I screw up (sic), I die…I flipped back and forth from being excited to be one of the first [title of position] to be involved in this and thinking, I'm not that old, but I'm too old for this work.

The amount of work the consolidation entailed was repeatedly discussed by faculty and administrators from both schools. The consolidation work was in addition to their "normal" position responsibilities and few of the staff and administrators involved in the consolidation work had agreement for overtime compensation. As Pam described above, this was a new experience for all involved, and it was not just the extra work that was required.

Consolidating two institutions required the formation of a significant number of new relationships. Not only were faculty and administrators from SSC and SSU meeting each other, sometimes for the first time; but they were doing so under circumstances where they were wondering if one of them was going to be eliminated in a restructured organization. Caser described how they felt about the first joint committee meeting, where representatives of the two campuses came together:

The first time the SSU and SSC task forces met together was awkward as hell (sic). The

president did a good job of handling that meeting, because even that few minutes before

the meeting started when you'd expect some mingling, both sides were almost just sitting

on opposite sides of the table looking at each other, hoping someone knew where to start.

This short description highlights both uncertainty and the lack of clear communication prior to

this meeting. The faculty member described a room full of uncertainty; in-group and out-group

association, an assumed lack of trust or interest, and a group unsure of why they are together

because of a lack of clear communication about the strategy they were responsible for

implementing.

An institutional administrator, Kevin, described the first consolidation planning meeting

with this seemingly appropriate analogy: "You eat an elephant one bite at a time, right? But who

takes the first bite and where do you bite. Eating an elephant ain't that easy."

SSHE administrators recognized the overwhelming focus consolidation required from the

institution's faculty and staff, especially considering this work was in addition to their existing

workload. Andy acknowledged:

…four [consolidations] for the first time out of the box was too many…it was more than

anyone should have tackled had we known what we know now. For those institutions to

be where they are today speaks to the fortitude of their employees and leaders.

As participants recalled their feelings and reactions about the consolidation-related work that was

being completed, they recalled the confusion and pressure they felt. However, as many of them

later stated, reflecting on their experience, the *uncertainty* surrounding the change was likely the

cause of stress more than the objective they had been given: become one institution.

One document provided by SSHE to the institutions illustrates the incredible "magnitude" of a higher education consolidation. Titled the "Master Consolidation Task Tracker," it is a Microsoft Excel file that detailed 564 tasks to be done before the consolidation could be complete. That number, 564 tasks, is an immense undertaking, especially when this task list was created *before* the consolidation was implemented – meaning it may exclude any tasks that a planning group could not identify in a brainstorming session – and each task does not require equal effort. Some, such as task number "ADM027: Consolidate ethics hotline," and "ADM021: Create common holiday calendar for 12-month faculty and staff," may require a call to a vendor and a 30-minute discussion for a task force to decide some rather simple processes and holiday policy issues. Others, however, seemed to suggest just by their description that they would require their own set of tasks, such as "ACAD025: Address faculty governance issues," and "FAC072: Address additional satellite campus issues." The ambiguity of these tasks suggests that they require additional work to identify how the consolidation will impact these areas before implementation work related to them can even begin.

The plan for implementation was developed by the institutions. For CU, this meant SSC and SSU each established their own consolidation implementation committees that began by self-identifying their best practices, aspects of their culture they felt were most sensitive, and synergies they could offer the new institution. These groups met independent of one another until their first combined meeting on February 24, 2012. A number of goals and priorities were set forth at this meeting, including what many felt was the pressing need to establish a name, mascot, mission statement, and presidential cabinet.

These priorities became the group's early focus and on May 8, 2012 the Board of Regents approved the new name and the new mission. This was not without some debate, although when

compared to the community and student reaction from the other consolidations that were occurring at the same time throughout the state, CU seems to have successfully maintained the pride that students, alum, faculty and staff all had for their former institutions, now joined as one.

On March 26, 2012, the leadership team for the new institution was announced via an open email to both campuses from the President of SSU, who by that time had been named as the president of CU. This senior leadership team was comprised of 10 positions, and while participants reported it was not intentional, five of the 10 came from each of the prior institutions. Both the president and the provost came from SSU. Some faculty voiced concern over the selection of the deans for each school, which was summarized by Ed, "Most all of the deans ended up coming from [SSU], which was not our intent, but you've got to put the best people in the positions."

By April 18, 2012, the two independent campus consolidation committees had become one team, referred to as the Executive Planning Team. In an open email to all students, faculty, and staff, this team presented their plans for the rest of the implementation. Part of that email read "As it moves ahead, the Executive Planning Team will initially focus on three key areas: admission standards, tuition and fee structure, and the reporting of retention and graduation data." The email also explained how many of the specific activities involved in creating a new institution would be handled:

> The Executive Planning Team has also formed a multitude of Operating Systems Work
> Groups to address the operational details of consolidation. These work groups, listed on
> the consolidation website, are meeting regularly to assess current and future functions in
> a variety of areas to develop the foundation of our consolidation implementation plan.

Our teams are actively learning about one another and looking for opportunities, rather

than creating barriers, to accomplish our mission.

When asked about the role and number of those task forces, many members of the Executive

Planning Team recalled that there were about 70 task forces created to work in those operational

tasks associated with consolidating the two institutions. This was consistent with a list of "task

force leaders" found in meeting minutes.

Phase 3: Implementation

How the implementation was completed became an important consideration in answering

the second research question of this study, and another asked of all participants: "What processes

were used to ensure decisions related to the consolidation are focused on the stated objective(s)?"

Recall, the stated objectives were the six principles of consolidation issued by the Board of

Regents. Throughout the interviews, as the participants discussed the "nuts and bolts" of

bringing two institutions together, very little attention or time was given by the institutional

participants to discussing those principles. This is not to say that, three years prior to the

interviews when the consolidation was actually taking place, those fundamental precepts were

forgotten or were not used by the Executive Planning Team to ensure decisions were in line with

those guidelines; they just did not come up often in the semi-structured interviews conducted in

the study, especially by faculty, staff, students, and alum.

While only one member outside the Executive Planning Team, Belinda, discussed the

role of the principles of consolidation while their task force was working on implementation

when they said "if, or as, someone mentioned them, we did a gut check that we weren't violating

the spirit of them." Based on the following quote from Tom, another faculty work force chair, it

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seemed the six principles were rarely the first thing that activity-level task forces were concerned about:

> We had to keep reminding ourselves it was about the students. At least that's what the chancellor and the board told us. Because we were on task forces that had a direct impact on our individual careers and responsibilities, it very quickly became about us. I remember one example – traveling between campuses. Most of the discussion around that was about faculty meetings or teaching classes, until one of us specifically kind of did the 'duh' comment of, 'instead of talking about the 10 of us, how about the hundreds of students…It was like we never questioned the assumption that the way we've always done it worked for the students, so now we'll just make it work better for us. But, looking back at our work and what other groups, I think we got lucky – we didn't have posters or reminders of the six guidelines for consolidation, and I don't know that other groups had posters either – I doubt it – but when you look at the end result, CU, I think we did a good job with those six key points.

Throughout the interviews that focused on discussing the implementation, there seemed to be a missing link between those six principles of consolidation that were essentially the goals and objectives of the consolidation and the decisions being made throughout the implementation. Chapter 5 will discuss this disconnect in more detail, but after analyzing the interviews and documents, it is difficult to assess how important those six principles were to the 70 task forces and the individuals responsible for actually implementing the change. Through the interviews related to the actual implementation, a third theme emerged.

Theme 3: Actively managing change. The third theme that emerged from the study was the importance of actively managing change. As participants described the implementation,

examples arose – consistent through all stakeholder groups – of changes that were required. Some of these changes were actively managed, meaning solutions were researched, brainstormed, a thoroughly vetted before a decision was made. Others were discussed but instead of being actively managed, the task force followed the path of least resistance to find the solution. More of the changes that occurred were actively managed and while there were still many voices of criticism and concern, the realization that both institutions had been a part of a massive organizational change that was beginning to show some positive outcomes became a point of pride for many participants.

The challenges of the consolidation are examples of when administrators, faculty, and staff lost the ability to manage change, and the change began to manage them. Discussed in more detail below, questions over promotion and tenure (PNT) and tuition and fees were managed more effectively by the institutions than some other issues, such as the core curriculum. The core curriculum stands out as an instance when conflict was avoided and the end result was the product of the least resistant path.

When participants were asked what challenges they faced in the implementation, one or more of the following three issues were almost always mentioned: promotion and tenure, core curriculum, and tuition and fees. However, after analyzing the interviews and documents, two of those three unexpected challenges could be considered examples of successes, and one perhaps even resulted in what will become a best practice in the State System of Higher Education.

In one of the first implementation committee meetings, "themes" or items that the committee should specifically prepare for were brainstormed and voted on based on importance. Of the 15 identified, two of the issues mentioned above that became difficult to manage were in the bottom third of the list and the one other did not make the list. The complete list of themes

and the vote tally can be seen in Table 3, below. The low placement of themes that eventually

became significant challenges certainly does not mean the committee did not understand the

importance of these issues. Rather, it simply emphasizes the earlier discussion that change

management, with something as complex and difficult as consolidation, led in large part by

professionals who are not trained in these types of strategic initiatives is difficult.

Table 3. Most Important Themes for the Committee to Recommend for Consideration

Theme	Votes
Mission statement	18
Academic structure	18
Community messaging	15
Determine workgroups and get them started	14
Name of institution	13
Values (i.e., access, quality)	13
Admission requirements	13
Student life	11
Academic programs	10
Core curriculum	4
Administrative structure	3
Promotion and tenure	2
Orientation to institutions	1
Plan for opportunity for input	0

Promotion and tenure. The source of the challenges with promotion and tenure

processes is identifiable; it was just quite simply overlooked. It received just two of eighteen

votes on the "themes for the committee to recommend for consideration" chart. Like many of

the other consolidations taking place, the CU consolidation was a consolidation of two

institutions from different Carnegie classifications and with somewhat different missions. SSC

was a state university, focused more on access, and as such, had faculty that were evaluated more

on their teaching ability. Whereas SSU was a state university, with graduate programs and a

selective mission, which also meant a faculty that was expected to focus on scholarship *and*

teaching. Angela, a faculty member who was, at the time, teaching for SSC clearly articulated the general sense of anxiety and concern among herself and her colleagues:

> Faculty that were not tenured but were on tenure track, were concerned about the new tenure requirements and promotional requirements, which obviously they would be concerned about that. So basically, tenure track faculty were seen as teaching faculty. There were no publication, scholarship-type requirements in that sense.

As one might expect, when a faculty member intentionally joins a teaching-focused college or university, they are doing so for personal reasons, likely because they see the value in teaching. They also expect their career to be dependent on certain things, primarily the quality of their teaching and less though on their scholarly output. Putting these faculty members into a place where they may have one or two years left before they go up for tenure and now the requirements of changed could be very problematic. Angela continued:

> So there was some anxiety about that [differences in promotion and tenure policies], but what happened is each department got together and developed their own departmental policies in terms of scholarship, and some are a little bit different than others in terms of the number of publications and what is considered to be scholarship, and that was all defined in departmental policies. The fact is that, I think, virtually everybody has met those requirements that came up in the last few years. That I can recall. There was no mass exodus or anything. Basically, most people that were ready to go up for tenure when they first qualified to apply for tenure and promotion did so and were promoted and tenured.

The difference in evaluation for promotion and tenure is also evidenced by comparing the faculty handbooks of SSC and SSC pre-consolidation. The SSC faculty handbook stated the "minimum

criteria for promotion and tenure in all professional ranks shall be outstanding teaching (including Service Learning and Engaged Pedagogies), institutional and community service, professional growth and development, and academic achievement. Noteworthy achievement in all four of these areas is not demanded but shall be expected in outstanding teaching and in at least two of the remaining three areas." Note that "outstanding teaching" is the first criteria listed of the four typically considered in higher education for tenure, along with research, service, and collegiality, and is specifically mentioned again as the one with the expectation of outstanding performance, while "academic achievement" is listed last.

Contrast that with the faculty handbook of SSU. It reads, in part, "The criteria to be used when considering a faculty member for tenure are as follows: (a) demonstration of excellence in instruction, (b) academic achievement and scholarship, (c) outstanding service to the institution, profession, or community, and (d) collegiality." For SSU, while teaching remained the first on the list, publications and scholarship was the second most important criterion. As the SSC faculty quoted above noted, the increased focus on the importance of research and scholarship concerned other SSC faculty, especially those that could apply for tenure in the near term. Many participants from SSC and SSU that were interviewed shared that this was one area they expected the institution or SSHE to make an exception and allow existing faculty to be grandfathered in to any new promotion and tenure requirements. This did not, however, happen.

Since the concern about more rigorous promotion and tenure requirements was primarily a concern of SSC faculty, it was taken to the Executive Planning Team, and ultimately, the university system. Erin, a system administrator commented:

We did not grandfather and that was a tough piece for faculty…We had a handful of faculty at SSC who were going to be up for the tenure review the first year the

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consolidation would be into effect and these were all outstanding faculty. Both

Presidents of the university wanted to retain these faculty, but it looked like they would

not be very eligible…They were teaching at SSC; they had great careers. Both presidents

approached us and said, 'look we don't want to lose these faculty and the faculty do not

want to leave,' and so in that situation the board made an exception to the five year

period to be reviewed for tenure and they let them go up the fall before…I think other

faculty did not make tenure and left, and some were tenured but they did not have to go

back and get their Doctoral degree in order to do that. That was the one policy exception

we made.

While tenure and promotion was repeatedly cited as an example of an important concern many

faculty members had, two years post-consolidation, no participant cited it as an existing issue.

Some cited the way it was handled at the time, described above by the system administrator, and

others pointed to the new CU handbook. That document, which sets forth the consolidated

tenure and promotion guidelines, reads "the criteria to be used when considering a faculty

member for tenure or promotion are as follows: (a) superior teaching; demonstrating excellence

in instruction, (b) professional growth and development/scholarship/academic achievement, and

(c) outstanding service to the institution, profession, or community." It also states that when a

faculty member applies for tenure or promotion from assistant to associate, they must provide

evidence of "noteworthy achievement in teaching and one other category" and "meet or exceed

expectations in the remaining category not selected for noteworthy contribution."

    Core curriculum. The different missions of SSC and SSU, pre-consolidation, also led to

differences in their core curriculum. The general education requirements at SSC were less

structured than at SSU, and consolidating them into a single curriculum proved to be a challenge.

When asked what stood out as one of the most difficult negotiations between the two institutions, Jenna, one of the senior institutional administrators, answered:

> General education. General education revisions normally are a three-year process. We did it in three months, so that is a much accelerated timeline for review of a core curriculum and putting a new core curriculum in place…Faculty always differ in what they think every student should take in order to be a graduate of the institution, but these were two different institutions, and so they had different ideas about what are the courses all students should be required to take in order to be certified as a graduate of the institution. Even if you weren't a consolidating institution, you would have a challenging process to develop a new core curriculum.

A review of each institution's core curriculum requirements corroborates the report that this was a difficult issue to deal with. The state required some consistency in general education or core curriculum, but left significant flexibility to institutions. Some institutions had a more focused curriculum and offered fewer courses to meet credit requirements. One example was SSU's requirements for seven credit hours of "institutional options" including a three credit-hour world citizenship course and four hours of foreign language. SSC, however, also required seven credit hours of "institutional options," but offered 29 different courses that could be taken to meet those requirements. Because of the difference in the missions and how those missions influenced core curriculum, the number of courses that met general education requirements increased for SSU, while SSC already offered a wide variety of courses. Table 4 shows the number of courses available to meet that category's credit hour requirement. Also of note, SSC required six credit hours of physical education, a requirement SSU did not have and a requirement that did not survive the consolidation.

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Table 4. Number of Courses Offered to Meet General Education Requirements

Core Curriculum Category	SSU	SSC	CU
A: Communication and Quantitative Skills	6	8	7
B: Institutional Options	9	29	25
C: Humanities	14	32	28
D: STEM	23	50	47
E: Social Sciences	9	25	17
Physical Education	-	6	-

How this change in core curriculum impacts an institution is questionable. A number of participants had varying perspectives. Some felt, rather passionately, that this was opening up CU to become a diploma mill, allowing students to take so many different courses at the general education level, anyone could get their associates degree from CU. David, an SSU faculty member described it as "the same quality of education SSC has always provided, but now presented in a much nicer package." Others, however, felt that while such an expanded curriculum was not ideal, there were other controls and processes in place that mitigated the risk of potential students attending CU to earn a "quick" associates degree. One possible explanation for the core curriculum not being more refined was offered earlier by Jenna when she stated, "general education revisions normally are a three-year process. We did it in three months." Essentially, changing core curriculum is typically a three-year process and this was done in three months because time was of the essence. Jenna later stated "some of the final decisions weren't ideal, but they also weren't *final* decisions. We knew we could settle on something for the curriculum and then continue to revise it as we grew."

Tuition and fees. As previously noted, tuition and fees were not on the original list of issues the Executive Planning Team discussed. Initially, tuition does not seem like it may

become a divisive or complex issue. However, because SSC and SSU had different missions, tuition rates varied. The challenge became how to develop a tuition and fee structure that was fair and equitable to SSC students who were being charged about 35% less than SSU students.

The complexity of tuition and fees quickly becomes apparent when you start discussing how a new institution, being created by the consolidation of two former institutions with dramatically different price points, creates a funding model while restrained by the tuition rates of the previous institutions. However, the solution the task force and administration identified demonstrates the creativity and innovation that can come from higher education. CU operates on the "pathway" model, described by Sherry, an institutional administrator, in the following quote.

> We came up with the pathways model that actually separated the two [associate pathway and baccalaureate pathway]. So we had a baccalaureate pathway, which maintained the selective mission available on the former-SSU campus…. Then on the former-SSC campus, you had an associate pathway, which met the traditional access admission standards, or, you could select the baccalaureate pathway. It carried a tuition premium of 45% higher, but those students had the choice.

One concern with the pathways model was that there was, potentially, an arbitrage opportunity for students. Students could go to the former SSC campus, pay less on the associate pathway then transfer to the more expensive baccalaureate pathway. That would save them the 45% premium for their first two years of courses. To address this, students must declare their pathway on their admissions application. In essence, this means if students want to save that premium, they need to apply to the same school twice – the second time through the same process as any other transfer student, thereby taking the risk of not being accepted as a bachelor degree student, even though they successfully completed their associate degree at CU.

Administrators were "holding their breath" the first year students went through this

process. Their concerns were alleviated, at least for the time being, when, as Sherry recalled:

> In the first year we opened up the pathways we had over 400 students from the former-
>
> SSC campus self-select the baccalaureate pathway, which meant they met our higher
>
> admission standards and they perceived more prestigious status and more value by being
>
> associated with our baccalaureate track as opposed to associate track.

The success of the pathways model the Sherry discussed alsoo suggests that one of the early

potential roadblocks of consolidation may have been overcome – the ability to change the

perceived value of SSU over SSC into the perceived value of a bachelor degree at CU over an

associate degree at CU. This was a vital part of being able to getting students to "buy into"

paying two different tuition rates for, at times, the same course.

Industry often views consolidation efforts as a means for corporate renewal. "Shaking

things up" can lead to innovation. While this is not typically the case in higher education, the

pathways model that CU created when faced with the challenge of reconciling the funding

models and tuition rates at two institutions demonstrates that higher education can find new and

innovative methods when the conditions require.

Phase 4: Assessing Outcomes

After the analysis from SSHE, approval from the Board of Regents, and implementation

by the campuses, on January 8, 2013, the Board of Regents approved the four new institutions

created by the consolidations of the previous eight institutions. CU was one of the four, and

prior to the January 2013 approval of the Board of Regents, CU had received approval by the

Southern Association of Colleges and Schools (SACS), one of the primary accrediting agencies

in the Southeast. As of January 2013, SSC and SSU, administratively became CU; beginning in

the fall semester of 2013, they became one academic institution; and the fiscal year beginning

July 1, 2013, CU reported a single set of financial statements.

In the words of a number of faculty, administrators, and students, this is how CU and

regional higher educational looks now, compared to how it looked four years ago. Pamela, one

of CU's administrators, proudly stated, in response to how SSHE and senior administration has

measured success and the consolidation:

I'm proud of the fact that we have institutionally merged so many of our functions. The

fact that our students are transitioning with much more ease…The alumni now say 'CU.'

I go to all the campuses, and there is an abundance of students wearing CU T-shirts. It's

a little thing, but it speaks to the culture as we're beginning to create the culture. I don't

hear the same concerns any more from the students on either campuses. At SSU it would

be, "You're going to let those people have my degree?" Or there you hear, "Well, we no

longer have our name. We have to take somebody else's name." I don't hear that, and

actually students were the quickest to acclimate. Students, then staff, then faculty, then

alumni. I mean, you would expect that.

Measuring outcomes that are based on the six principles of consolidation, which is how success

should ultimately be defined, is not possible this early in the post-consolidation period. But, as

Pamela described, there are signs that the most basic goal of consolidating two institutions into

one without significant mid- to long-term disruption has been accomplished. The culture of a

single institution is being established, constituents recognize one institution instead of two, and

there are less duplicate processes and systems. Pamela continues,

A year can make a lot of difference…The fact that we are able to do things we couldn't

do before. [A new] campus…the legislature approved this year. It would've been very

difficult for either one of us to begin a campus [there] because SSC's mission was

primarily to handle the students in their proximity. SSU did not offer associate degree, so

to be able to go in and to start out with associate degrees and dual enrollment with the

curriculum wasn't possible. Now, you're large enough that it's assumed you have that

footprint. There's enough credibility to be able to do it. So I think there are a number of

ways to look at our success, our opportunities with regional research, regional economic

development. It's incredibly important to a regional institution. We have opportunities

we didn't have before.

The new satellite campus was cited as a successful outcome of the consolidation and it met the

objectives of a number of the principles of consolidations. Steve, another institutional

administrator, recognized the benefits the new institution provided the region, but also how the

whole of CU had become better than just the sum of SSC and SSU. Steve, especially sensitive to

student outcomes said:

To assess if we were successful, I think you have to go back to the goals of the

consolidation and then see if we've met those. The original things forwarded by the

Board of Regents that were the expectations and as an institution we have expanded

access to higher education for the constituents in our region. That was the number one

charge that they wanted, for students to be able to have an educational opportunity and

now they do. I mean, we have more program offerings available to our students than

would ever have been done before and at a much accelerated pace than what would have

been possible without consolidation. Those things have been fulfilled and part of the

charge of consolidation was to be able to do that.

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Again, Steve's perspective, the early success of the consolidation is partially confirmed. Not only did he echo the belief of Pamela and other administrators and faculty that the consolidation expanded educational opportunities for the region, but Steve continued to describe how the two institutions are melting into a single institution and growing by learning from practices not specifically addressed in the implementation:

> You can see how we've grown together. Just to give one example, SSC had a pretty robust set of supplemental instruction that they used for classes with high DWF [drop, withdraw, or failure] rates within their core curriculum and so it was highly effective in retaining students and helping them progress with a satisfactory grade, and we transplanted that and are looking to even expand further that offering throughout CU. So, you have now the benefit of two histories of institutions of what's worked well but then now can perhaps be transferred onto the other campus locations; this worked well for us. . Let's see if it works well on this campus – we can try it out and if it works well let's see if we can add it to this campus and see if it works well there. Not all things transfer well but some of them are just good practices and if they're good practices they can be replicated.

The consolidation more than doubled the budget and enrollment of the institutions, and through the pathways system was able to offer associate, bachelor, masters, and even a doctorate degrees, this seemed to provide the new institution the credibility to begin considering a new satellite campus that could efficiently offer a minimum of general education requirements to rural areas of the state that needed educational opportunities.

Another senior administrator, Toby, saw additional benefits from the consolidation, both at the individual employee level and the institution level. Regarding how the consolidation impacted employees, they stated:

> You talk to some of the staff members and their positions descriptions have changed tremendously. The scope of their work has changed tremendously. You talk to others and it has changed very little, so it really is quite individualized as to how much their role has changed for the individual faculty and staff.

Toby made an astute observation that may have been helpful in easing some uncertainty when the administration was communicating their plan to the faculty and staff. While the consolidation was an immense undertaking, and the magnitude was significant for many of the administrators and staff, there are other groups that would likely say their day-to-day routines changed very little.

The impact of the consolidation on employees was also observed by George, who focused on the importance of managing people and their expectations, as well as developing relationships with new people.

> So much of making this kind of change successful is managing people and their expectations of what it means for their job. You have to build rapport and teamwork across the groups. Another fallacy is that you can get through the whole thing in a year and a half, including all the interpersonal problems. No way. That'll take at least three to five years. And that's where we are now. Relationships, balancing workloads, getting organizations "right-sized" and workloads reasonable…we're starting to hear more good things than complaints.

George made another important point in these comments. While the accreditation body approved the "substantive change," and the implementation was completed within 18 months, a successful consolidation is not complete after 18 months. Building relationships, managing workloads, and constantly reinforcing the new, consolidated institution is a vital part of being able to achieve long-term success.

Throughout the consolidation, institutional administrators observed impact of the consolidation, and the SSHE had the president of each new institution report what occurred across their campuses, after the consolidation was complete. While the report provided to the SSHE was not accessible, one of the system administrators, Luis, who attended the presentations recalled:

> What we wanted to hear, and what we did hear, is that while there may have been some tough decisions and there may be some unhappy individuals or groups, the bottom didn't fall out. We didn't hear of any institution finding itself being punished by the community or the faculty. Since we had just completed the consolidations, our measures of success were: (a) did SACS approve the substantive change, which they did in all four consolidations, (b) did we lose either star performers or a large number of faculty or staff because we took this action – and no school said that happened, and finally, (c) were schools starting to feel like a single institution, to which all presidents basically said 'we're getting there.'

Luis also discussed what the system is doing to collect empirical data on the consolidations. While the assessment of the presidents sounded optimistic, it was based on a "low bar of success" by essentially defining success as not causing an institutional collapse.

SSHE, and the institutions, understood they would need more specific data to analyze the impact of these consolidations. When asked if they were collecting data, Luis responded:

We are working on the assessment piece of it. A couple of things we're going to look at, obviously, is student success. Have we made a difference in terms of retention, graduation rates or in terms of enrollment? Are we getting more students to go there? We will look at the administrative side of it. Did we end up as a leaner organization? Where did we shift the positions? Are they more out of administration and now in student support, academics? Where did we end up with? So we'll look at that. The economic development piece of it, the economic impact. Have we increased that? So looking at what happened when they were separate, and now looking at them as a total and seeing whether any of those data points have changed, and we'll probably roll that out sometime over the next fall [fall 2015].

Two full years have passed since the official completion of the consolidation, which, according to both system and institutional administrators is likely enough time to start measuring quantitative outcomes. These assessments will provide important information, but at the same time, since the CU consolidation was announced, two additional consolidations have been announced in the state. That would suggest that even absent the assessment discussed by this administrator, there is some indication that the SSHE and some, or all, of the other consolidated institutions are seeing some benefit.

SSHE is also learning from the experiences they had with the first four consolidations. Specifically, Kelly, a system administrator, shared, "for the last two consolidations, we announced the institutions and who the president is and the name of the new institution. This has taken a lot of the emotion out of the early part of the process."

Kelly mentioned the "emotion" involved in the announcement, and while they see naming the president and institution as eliminating some of the emotion, what they are really doing is eliminating a great degree of uncertainty. There is still uncertainty that accompanies these announcements, but now that institutions have seen others in the state go through a consolidation, the comments of this administrator suggest there is less ambiguity around some aspects of the institution's future.

Summary

Throughout the 18 months of implementation, the four months prior to the announcement, and the two years since the consolidation was completed, participants experienced an organizational change foreign to most in higher education. Their experience presented new challenges for them, and because they were part of the original group of eight institutions, new challenges for the state and the SSHE. As they shared their experiences in interviews and provided both facts and opinions, three important themes emerged.

First, the impact of uncertainty became abundantly clear. When there was a lack of information, participants discussed the frustration they felt, even if it was based on rumors or incorrect information. Students shared how this became a distraction to their education and administrators discussed how their staff productivity decreased because of the uncertainty. In the next chapter, when *expectational ambiguity* (Jamison & Sitkin, 1986) is discussed, the need for some uncertainty will be explained, but the participants' experiences with the degree of uncertainty surrounding the consolidation strategy, from their perspective, was excessive. Both before and after the announcement of what institutions would be involved, excess uncertainty began to weaken the consolidation before implementation started. The uncertainty led to

significant distractions for faculty, staff, and students, as well as lost productivity as employees became concerned with what hypothetical situations they may face.

The second theme that emerged was the importance of clear, consistent communication. Participants repeatedly discussed their perceptions of why the consolidation occurred and what it meant, despite the principles of consolidation released by the Board of Regents. Based on the respondents' experiences and some support in the document analysis, there were two indicators that suggested communication was not clear throughout much of the process. First, few of the institutional administrators and faculty discussed the six principles of consolidation when asked why the consolidation was happening. Second, there was sufficient discussion about cost-savings early in the process for money to become the frame through which participants viewed the decision-making.

The third theme became apparent during the implementation of the consolidation plan when participants were required to manage the changes they anticipated, as well as the changes they did not anticipate. Managing change, instead of letting change simply happen, made the difference between establishing a best practice for the SSHE and creating a confusing and cumbersome environment for students. This difference can be seen when the decisions on promotion and tenure and tuition are compared with the lack of decisions on the core curriculum. With promotion and tenure, the best practices of both institutions were considered and then parts of each institution's policies were adapted to create a new promotion and tenure policy for the new institution. The challenge with tuition and fees required a new approach to how tuition was charged, and resulted in a pathways model that transferred perceived value based on the institution to value based on the degree. However, core curriculum was an unmanaged change

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that simply followed the path of least resistance, essentially resulting in a merging of the course

catalogs instead of each core being scrutinized to decide what was best for the new institution.

Chapter 5: Summary, Discussion, and Conclusions

I think now [we] may look like the university of the future for the next century…so I'm glad we've done that [consolidated] now, and that we are very diversified in the types of things we can do as an institution. I think that's a good thing that can be modeled across the country. So now that it's happened, I'm glad we did it and that we were maybe a leader in this area.

– Stanley, Faculty Member

This study analyzed qualitative data sources collected from the SSC/SSU consolidation that created CU, specifically through the Jemison and Sitkin's (1986) process perspective of consolidation. The process perspective suggests that in addition to the impact the strategic and organizational fit will have on the outcomes of a consolidation, decisions made during planning of and implementing the consolidation will also significantly impact the outcomes of the consolidation.

Three themes emerged important to the study. The leader of the consolidations provided principles and objectives to meet, in the form of the six principles of consolidation. However, decisions during planning and implementation at the institution level were not always intentionally aligned with those principles, as evidenced by the minimal number of participants at the institution level who alluded to the six principles of consolidation. As Ed, an institutional administrator shared:

A lot of it was give and take. I think they [SSC faculty and administrators] knew if push came to shove, our policy or procedure would win, but we also wanted this to be a friendly process. It's not that the reasons the chancellor said we were merging were ignored, it's just that – like you see often in higher ed, at least here – politics comes first, then justification for the decision.

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Many of the objectives named by the chancellor leading the consolidation initiative are similar to what would hopefully be achieved by having larger institutions and less competition among smaller institutions. Having size and scale, neither of which would involve task or activity level decisions made by a task force, may achieve the same objectives. In this case, studying the work of the task forces may not have been an appropriate means to measure the institutions' ability to accomplish the principles of consolidation, but rather, studying the task forces highlighted the role they played in maintaining a positive work environment during the consolidation.

Discussion of Findings

Along with the three themes identified in Chapter 4, a "fallacy of consolidation," a phrase used by one participant, was identified. This "fallacy" emerged when participants were asked the final interview question: "What did you learn about yourself, your institution, and consolidation through this process?" The fallacy highlighted by many participants in their response to this question focused on cost-savings.

Three participants, two – Ed and Sherry – from the institutions and one from the system – Erin – all in roles that would understand financial implications of the consolidation, stated: "it didn't save us money," "cost-savings were not the goal; had they been we could call this a failure at this point," and "the implementation cost us money, but we'll hopefully recoup that, long term." These quotes imply the CU consolidation was similar to the for-profit organizations studied by Dodd (1980) and Malatesta (1983) in which they found there was little short-term or long-term improvement in financial metrics by the acquiring firm.

The consolidation of SSC and SSU, at least through the midterm, did not save money. This is critical to understand. The time it took for employees to plan, implement, and become accustomed to a new institution was costly, as were operational tasks such as integrating

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computer systems, class schedules, and rebranding. Early proponents of consolidation that cited

cost savings as a desired outcome, may still be correct – some positions may become

unnecessary and some redundancies may exist that can be streamlined, but the length of time and

the cost of getting to the point where money is saved requires both an investment of time and

money. In addition to the discussion in Chapter 4 that indicated cost-savings were not occurring,

when asked specifically about cost-savings, George, an institutional administrator commented,

"We aren't saving money. We're doing other good things, and maybe the cost-savings will

come later, but so far we haven't saved anything."

Those "…other good things…" emphasize the importance of one area of future research,

discussed below: researching higher education consolidations through a different lens,

specifically an organizational fit perspective. As Harmon (2002) identified, merging institutions

can result in positive non-financial outcomes, such as lower turnover and an increase in

interdisciplinary research. However, Harmon (2002, p. 102) also noted that these improvements

are often delayed by a "…generation or two…" of faculty and staff, as those that experienced the

consolidation move out of the institution and new employees are hired.

As many of the interviews came to an end, participants tended to reflect back on their

experience. Andy, a system administrator insightfully recalled the impact consolidation, or the

thought of consolidation, had on their colleagues' lives. He said "the initial reaction is always

the least valuable in many respects, because it's the least informed. But, that initial reaction is

going to set the tone so you better have thick skin and be able to calm people down."

Process Perspective

The theoretical framework for this study was the process perspective (Jemison & Sitkin,

1986). The process perspective posits that while strategic fit and organizational fit are important

considerations for mergers and acquisitions, the process of the consolidation and the decisions made during the consolidation are also significant contributors to the consolidation's outcome. In this case, studying the decisions through the process perspective lens was insightful, but also challenging because the decisions discussed were in the past, meaning the information and data analyzed were often individual recollections, and perhaps most importantly, different parts of the process were completed by different groups of people.

A central concept in the process perspective is that there are four impediments that can impact the outcomes of consolidation: expectational ambiguity, activity segmentation, escalating momentum, and misapplication of management systems (Jemison & Sitkin, 1986). The role, positive or negative, each of these played in the CU consolidation is difficult to study because one of these impediments, escalating momentum, occurred behind closed doors when SSHE was developing a consolidation plan for the system, a decision there is minimal information on, either in the form of documentation of recollection during interviews.

Expectational ambiguity (Jamison & Sitkin, 1986) did not take place during the negotiation phase of this consolidation, as it would in a for-profit situation, but it became a focus throughout the implementation as some stakeholders wondered why consolidation was occurring, and why governing boards were advertising one set of objectives while other outcomes were discussed offline. The other two potential impediments, activity segmentation and misapplication of management systems (Jamison & Sitkin, 2006), were seen in the CU consolidation. A discussion, including some quotes from participants, will expound on how these potential impediments impacted the CU consolidation.

Expectational ambiguity. Expectational ambiguity, as defined by Jemison and Sitkin's (1986), was not seen or discussed in the CU consolidation, because what would be considered

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the negotiation phase was limited to a small group of people. Jemison and Sitkin (1986) defined expectational ambiguity as the useful ambiguity during consolidation negotiations, since it helps parties avoid excessive discussion of details. However, that ambiguity can later cause problems and confusion when the time comes to implement changes to those details not previously discussed (Jamison & Sitkin, 1986). Recall that in the CU consolidation case, there were no real negotiations to start the process. SSHE and the Board of Regents made a decision for SSC and SSU to consolidate, announced their decision, and the work began.

However, there is another way that expectational ambiguity (Jamison & Sitkin, 1986) is seen in the CU case. A number of participants stated that they felt ambiguity around the purpose of the consolidation. While the six principles of consolidation were advertised as the purpose and guidelines for the consolidations, there were also comments made about cost-savings. That ambiguity, along with what seems to have been a relatively poor job of advertising the six principles at the institutional level, led to enough confusion for the participants interviewed to have inconsistent answers when asked "why consolidate?" Toby, an institutional administrator, felt there was no explanation why any consolidations took place:

> I mean something had to be done, but I think there was mystery around the places that were chosen…Later it became clear that the state system, the university system, was wanting to get out of the two year college world because they really did consolidate a lot of two year schools, so I think if they had even said that upfront that might have been helpful. It has just been really interesting.

While expectational ambiguity (Jamison & Sitkin, 1986) does not seem to be as serious of a threat to consolidations that are planned and announced like SSHE and the Board of Regents did – by essentially issuing a directive – there is still the significant possibility of ambiguity causing

consternation among important stakeholders. Clearly stating the reasons for consolidations, which the Board of Regents originally did, but then also having the institutions involved continually reiterate those reasons, which SSU and SSC did not do, are important aspects of having clear messaging and limiting the damage of confusing or unclear communication.

Escalating momentum. Through the participant interviews and document analysis, it was difficult to assess the idea of escalating momentum (Jamison & Sitkin, 1986). Brandon, a system administrator stated:

> When the chancellor came in, I think he felt like consolidation is something we've got to look at, take seriously, and at least consider…we talked to our board to make sure they were comfortable with us even pursuing an effort to analyze if we should undertake some consolidation. The board was very supportive, strongly supportive I would say, and encouraging of it. I think [they were] somewhat frustrated that it hadn't been raised with them before.

Another system administrator, Andy, described the tone when the chancellor joined the system. Their perspective was that the chancellor came in and "immediately started talking about reconfiguring, rethinking the system, and that it evolved to what it is." That may certainly suggest that the chancellor came in with an idea that consolidation may be a possibility, but that does not suggest escalating momentum.

Escalating momentum occurs if, during the course of studying the possibility of consolidation, the SSHE team found convincing evidence why consolidation should not be considered, but because the chancellor had been so vocal about this possibility, they decided to ignore their research and proceed with consolidations (Jamison & Sitkin, 1986). While there was

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little data available to analyze, no data that was collected suggested that escalating momentum occurred.

Misapplication of management systems. Misapplication of management systems (Jamison & Sitkin, 1986) could have been an issue in this case, and some participants' comments may have suggested, at certain times and in certain situations, this did occur. However, the misapplication of management systems is the misapplication of "acquirer" systems to the "target." Recall that one institutional administrator discussed their experience as coming to the table with new ideas, but those ideas were minimized and SSU ideas and policies being implemented. While that occasionally may have been the case, there were three important examples discussed where it is clear management systems were not simply forced upon either institution.

The first example is the core curriculum. SSC had a model where there were a significant number of courses students could choose from to meet the required credits for a core category. SSU, meanwhile, had more limited choices. The current, post-consolidation catalog includes a structure that looks much more like the generous offerings of SSC, giving students a number of core curriculum choices, rather than the strict offerings of SSU, except in the case of the required physical education requirements. That suggests that SSU did not "misapply the management system" of their catalog on SSC, but instead considered their new pathway program, the student outcomes specific to each pathway, and selected the core curriculum offerings that were most appropriate – a result that looked similar to the pre-consolidation SSC core curriculum.

The second example is the promotion and tenure guidelines. Had the scholarship and academic involvement requirement, listed second on the pre-consolidation SSU list, been non-

negotiable and held in place for the consolidation, than essentially all SSC professors up for

promotion or tenure during the first two years of consolidation would have been denied, not

because of their qualifications, but because in academia it is difficult to author an article and

have it accepted and published within a year, or otherwise show meaningful academic

achievement. Negotiating the language in the faculty handbook going forward, and the two

presidents coming together to present two faculty members from SSC for tenure, regardless of

the "no grandfather" requirement, demonstrates the spirit with which some of these different

systems were handled.

The third example is tuition rates, which are now based on the pathway model. SSC had

served, for a long time, as an access institution. A large part of that mission is lower cost

education, so that local citizens who may not be able to leave home and attend a larger, more

selective university can still attend a college and expand their professional opportunities. The

first two options address different tuition rates included a) charge the SSU rate; or b) average the

two rates. Either way, the SSC students would pay substantially more. Option A would have

been equal to a 55% tuition hike for SSC students and Option B would have essentially been a

28% tuition increase for SSC students and an equal drop in tuition for SSU students. Not only

would that have not been affordable for most SSC students, but it would have significantly

lowered quality for all future CU students by limiting resources through a decrease in overall

tuition collected by CU. Instead, the institutions collaboratively developed the pathways model

that maintained a reasonable tuition model for both pathways, even though they were part of the

same institution.

There may have been a number of the 70+ task forces where management systems from

one of the institutions overruled any negotiated solution. Applying management systems to

either the "acquirer" or the "target" is not always bad; it is the *misapplication* of those systems

that can cause problems during consolidation (Jamison & Sitkin, 1986).

It is difficult to accurately analyze the impact of these examples of potential

misapplications of management systems. At the time this study took place, the consolidation had

been complete for approximately one year. Tehranian, Zhao, and Zhou (2013) artiulated that

when analyzing financial and operational outcomes of mergers and acquisitions in industry,

waiting a minimum of three years, and often five years, after the completion of the consolidation

is necessary to obtain quality, reliable data. The absence of data available related to the

outcomes of the potential misapplications of management systems suggests that a three to five

year time lag may also be appropriate before expecting outcome-related data from CU.

Activity segmentation. Seeing the "Consolidation Task List" (Appendix E) and the 564

tasks that were part of that master plan the consolidation highlights the need to consider activity

segmentation early in the negotiation decision-making process. The data revealed that there was

much more required. As discussed in Chapter 4, some of those tasks became much larger

projects, some seemed simple but took an inordinate amount of time and energy, while other

activities were not anticipated, and thus, not on the list.

Sherry, an institutional administrator, shared an example of how activity segmentation

(Jamison & Sitkin, 1986) did occur within the Banner system. Both schools used Banner for

student information and when it came time to merge part of the Banner systems, there was an

unexpected issue: "Since we sent a lot of transfer students there and we had a lot of faculty and

staff that worked at one place or the other or both when they looked at the first Banner run there

were 40,000 duplicate records." Something so specific – along with a number of other technical

challenges – were not considered by the chancellor and the SSHE team.

The activity segmentation (Jamison & Sitkin, 1986) of the number and nature of specific tasks in higher education may have served a mediating role in the lack of management system misapplication in this case. For example, combining core curriculums did not require the time or effort typically expected; not because it was an easy task, but because a quick and agreeable solution was identified. As one administrator, Jenna, was quoted earlier, that is a process "that typically takes three years." The offerings of core courses was not on the list of the 564 tasks, meaning it could have been a task force set up for activity segmentation – a team being forced to deal with a task that was not originally thought of, but that could become a major time and energy vacuum (Jamison & Sitkin, 1986). If that core curriculum would have followed the typical three year process in three months, it would have been an example of activity segmentation that increased the cost of the consolidation by requiring more time and energy. Instead, that task force made a few recommendations – remove the physical education requirement and keep the foreign language requirement – and then accepted the remaining list of courses without significant changes, other than removing duplicate courses. This is an example of where the cost of activity segmentation was limited because of the amount of pressure to accomplish tasks quickly. Because the CU implementation occurred in just 18 months, Tehranian, Zhao, and Zhu's (2013) finding to wait at least three years to assess the consolidation outcomes is applicable in the CU case.

Implications

The current structure of public higher education does not lend itself to any single individual having the incentive to suggest consolidating institutions. Precedent alone makes it unlikely that the governing board or president of an institution will suggest "acquiring" another institution, or offer their own institution up for consolidation – despite what may be in the best

interest of students, the state, or the institution. As seen in South Carolina and Wisconsin, even

policy makers are attacked when they discuss significantly changing the traditional system of

higher education.

Yet, as seen with CU, not only was a consolidation complete, it was completed within 18

months. The implications of what CU accomplished, and what the state continues to pursue,

demonstrates to other state systems and institutions that consolidations are possible, and that they

can be completed in a way that is not overly disruptive to students or faculty. This is not to say

there is no disruption or debate; only that the benefits of consolidation may, in time, justify the

effort required.

There is also the implication for decision makers, once a policy maker, chancellor,

president or other leader with sufficient power decides they have the political capital to suggest a

consolidation. As discussed in this findings of this case, it can be the tendency in higher

education to committee an action item until it no longer becomes actionable. As one

administrator, Pamela, summarized, "business moves yesterday, higher education moves three

months from now," but, SSHE enticed, forced, or otherwise encouraged what were 12

institutions to merge into six, in some cases much quicker than could have been possible in

industry. As the process prospective would suggest, *how* the decision is made to consolidate and

how that decision is communicated can have significant effects on the outcome, so the

importance of considering the method of the analysis of consolidation, and who is involved,

cannot be understated.

While the political influence of the governor and state legislature on SSHE, or the

consolidation decision, was not specifically included in the research questions or interview

protocols, the reality is the SSHE is a state agency, reporting to the state legislature and working

closely with the governor. The "sunshine laws" in most states exclude one-on-one meetings with the governor or a legislator (Cordis & Warren, 2014), making it impossible to understand the full extent to which political influences impact decisions made in higher education, especially decisions about something as significant as a consolidation.

Practical Implications. There are important implications for higher education that can be learned from this study for administrators who may be considering or preparing for consolidation. Even though the number of consolidations in higher education is increasing, consolidation is still a relatively new practice in a complex sector and in a complex environment.

Completing a stakeholder analysis for any potential consolidation could identify powerful and political figures, a large number of passionate and vested students, alum, and community members, and a significant number of employee groups. Each of these individual and groups have their personal interests and will have strong feelings about consolidation. If done correctly, a stakeholder analysis will require a leadership team to analyze the perspectives of each stakeholder group and identify potential concerns, assess the extent to which they will support, or protest, the consolidation, and evaluate the power that group holds to ultimately impact the outcome (Jepsen & Eskerod, 2008). Stakeholder analyses require an open-minded, forthright attempt at anticipating how others will likely react – positively or negatively – to an expected course of action (Jepsen & Eskerod, 2008). This data can then be used to plan communications, consider key stakeholders' involvement in the consolidation, and inform other decisions that arise.

The presence of so many different stakeholder groups with their own interests has two implications for decision makers. First, it may mean that the approach taken by the SSHE and chancellor is best – conduct the appropriate study and analysis and make the decision. As

participants shared, "…higher education will committee this to death…" and "…if the consolidation was going to happen, the system saved us a lot of time by just telling us to do it." Such a directive approach will have resistance, but that may be more preferable than the alternative. Second, the alternative decision making process would be to bring representatives from the stakeholder groups together. This could be time-consuming and burdensome, but could also result in more supportive stakeholders, if the group did, in fact, decide to consolidate.

Third, decision makers must be able to clearly articulate why consolidation is a sensible and necessary approach for meeting the challenges facing the institution or preparing the institution to remain competitive in a changing environment. In this case, the reasons for consolidation set forth in the interviews was clear and convincing, and SSHE went through that process numerous times. While it may seem burdensome, taking the time to frame the reasons for the consolidation to each of the major stakeholders, identified in the stakeholder analysis, will help prepare the leadership team for communicating with each of these constituencies at the appropriate time. There was an attempt to do so by SSHE, but it was approached as "imagine you are a faculty member, how would you feel about this?" The problem with that type of validation is that the magnitude of the change being asked about is so significant, no individual can simply "imagine" how that change feels. It needs to be presented, in some degree of reality, to the stakeholders impacted by the decision.

Finally, the fourth practical implication that this study illustrated was that of recognizing the immense amount of work a consolidation is for every level of the organization. The system administrator who acknowledged that starting out with four consolidations simultaneously was too many, highlighted the incredible amount of work, for everyone, a consolidation entails. The nature of leadership positions mean the decision-makers are removed from the day-to-day,

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process-based activities that can be costly, in terms of time and money, as the consolidation is implemented (Pritchard & Williamson, 2008). If faculty, administrators, and staff who understand those processes are not part of the decision-making process, that may be okay – but they need to quickly be consulted once the decision is made to lower the possibility for future activity segmentation (Jamison & Sitkin, 1986).

The activity-level success and challenges in the CU consolidation cannot be generalized to all higher education consolidations. However, U. S. higher education institutions are similar in their history of shared governance, strong cultures, and focus on traditions, so the aspects of this study discussed in this section are important for future leaders to consider if consolidation is a strategy they may pursue.

Recommendations for Future Research

Perhaps one of the advantages of focusing on an area of research that has had little attention is that there is no shortage of future research recommendations. Higher education is currently facing a number of challenges – stagnant enrollment, limited resources, and increased accountability on student outcomes, specifically related to student debt and career placement.

Institutions of higher education are increasingly approaching challenges in ways that have not been common in the past. Examples such as the failed attempt to merge the University of Southern California and the Scripps Research Institute, faculty and alum protests over the idea of consolidating Virginia Intermont College and Webber International University, and Sweet Briar College announcing a closure, only to be challenged in court by alum, which resulted in a court order to stay open, all illustrate that higher education is in a period of flux and that managing these changes is a significant challenge for administrators and policy makers (Pierce, 2014). Currently, the University of Wisconsin is attempting what might best be called a "quasi-

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consolidation," by replacing 13 technical colleges, each with its own administration, with four regional administrations (Savidge, 2015). This demonstrates that administrators and policy makers are not relying on "business as usual" to solve problems and solve challenges. The changes occurring in higher education will continue to provide opportunities for future research related to this case study and other organizational changes in higher education.

Financial goals of consolidation. The first research question of this study was to identify what factors were considered in making consolidation decisions, the official answer was quickly identified: the six principles of consolidation.

However, there were also statements made before the consolidation and after the consolidation about the role of cost savings that seemed to create some ambiguity over the role saving money played in the consolidation plan. There are numerous areas to explore. These cost savings may not be realized immediately and if not tracked throughout the years, might be difficult to identify. Research on the financial implications of consolidation in higher education is critical. It includes not only *if* money is saved through consolidation, but also *where,* and *how.*

Participants from all institutions, including the SSHE, shared that cost-savings seemed to be a primary motivator in the reason to proceed with the consolidation initiative. However, when the principles of consolidation were announced, cost-savings was not mentioned. Not only must the financial implications of consolidation in higher education be very clear, which will require more research, but this serves as a reminder that a successful practice in the business world cannot simply be applied to higher education, without being adapted. Being cognizant of how consolidation might save money will help future practitioners focus in the right places, based on their goals.

Consolidation in higher education through different lenses. As discussed in the literature review, the process perspective (Jamison & Sitkin, 1986) is complementary to the strategic fit and the organizational fit models. Conducting research through the lenses of these two models will provide data on consolidation in higher education specific to the institutional mission and strategy and the deep-rooted culture so common in higher education. Activity segmentation and the misapplication of management systems may be better understood by conducting a similar study, perhaps even on the same institution. Focusing on the strategic fit perspective and taking an in-depth look at a number of task forces that dealt with critical processes at these institutions, such as the consolidation of ERM systems, space management controls and policies, and registration and class scheduling processes will help activity segmentation and management system misapplication be better understood.

The same is true with the organizational fit model. One could study an institution like CU and specifically study staffing decisions made when organizations within the institutions were merged. As mentioned by one administrator, the goal of the president was to not eliminate any positions or have anyone lose their job. Conducting a human resource based needs analysis on these post-consolidation organizations could identify if that is the right approach, and even if it did result in a suboptimal number of positions, was it worth avoiding panic or concern among employees about their own future?

Consolidation outcomes, studied 3 to 5 years post-consolidation. One system administrator suggested that they have begun the process of collecting quantifiable data about the success, or outcomes, of these consolidations. Using that data, along with pre-consolidation data, one could identify characteristics that could potentially suggest benefits to other institutions considering consolidation.

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This also includes the potential to identify financial implications – cost-savings or increases – that may result from consolidation. As stated by one administrator, any savings would not be seen for at least "five or more" years after the consolidation is completed. Additionally, as identified by Tehranian, Zhao and Zhu (2013) in their research of consolidation outcomes in the business world, a 3-5 year time frame may also be needed in higher education before any outcomes – financial, student-focused, or operational – can be researched.

HBCU possibilities. Historically Black Colleges and Universities (HBCUs) play an important role in U.S. higher education. However, in many states, these institutions are struggling financially and with declining enrollments. Often times, consolidation is not as feasible because doing so would mean consolidation with a predominately White institution (PWI) and doing so may diminish the value of the HBCU institutions. Yet, in many cases, something has to be done to help the HBCUs survive the increasingly competitive higher educational landscape. Research in this area is needed to help generate answers.

Expectational ambiguity in a negotiated consolidation. None of the consolidations in the SSHE over the past four years were negotiated between the institutions. All were a directive from the chancellor and Board of Regents. Thus, expectational ambiguity (Jamison & Sitkin, 1986) had a slightly different meaning, related more to the ambiguity of the consolidation's purpose than ambiguity about future aspects of the consolidation's implementation. As previously discussed, there have been a number of unsuccessful negotiations between higher education institutions in the United States, within the last two years: University of Southern California and the Scripps Research Institute (Gordon, 2014), Virginia Intermont College and Webber International University (Anderson, 2014), Point University and Montreat College (Ball, 2014), and the University of Wisconsin's current attempt to consolidate 13 individual institutions

into four regions of institutions (Herzog, 2015). Analyzing the documentation or the actual

negotiations of these institutions and then identifying the role expectational ambiguity plays

throughout the implementation may be a critical step in helping higher education institutions

understand and see the value in consolidations.

Other Opportunities. As identified above, there are many opportunities for additional

research in this area. For this specific study, after collecting and analyzing data, there are two

primary changes I would have made, both of which could be made in a future study to enhance

our understanding of the consolidation process in higher education.

First, I would have focused on a single aspect of the process perspective (Jamison &

Sitkin, 1986), either activity segmentation or misapplication of management systems. Other

opportunities related to the process perspective were discussed above, but all consolidations

would have data available to assess these two potential detriments to success. Studying one, in

depth, would inform decision makers as they strategize and consider consolidations.

Second, I would have designed this study as a mixed-methods study (Yin, 2009). By

including a survey that could be distributed to faculty, staff, students, and administrators, there

may be quantitative confirmation of a number of this study's findings. While not necessary for

the observations and findings in this study to be valid, quantitative evidence would provide

further indication that some findings in this study may be generalizable (Merriam, 2009).

Conclusion

Higher education is changing. This study analyzed a single consolidation of two

institutions. There have been more consolidations like this in higher education since 2010 than

there were in any of the previous three decades (Higher Education Publications, Inc., 2014).

Moody's annual report on the outlook for higher education stated that, "the closure rate among

small schools will likely triple by 2017 and the merger rate will more than double" (Moody's

Investor Services, 2015). These changes are significant and will have ripple effects throughout

higher education that faculty, staff, and administrators will be responsible for addressing.

Like consolidation, this is not something that can be done by any single stakeholder

group alone. As more administrators and members of governing boards come from the business

world and exert their influence on higher education, they are going to demand improvements.

The reason they are successful and in the positions they are is because they were successful in

their industry – an industry that was likely not higher education. Yet, their background tells

them that certain business practices work and their roles in higher education will likely lead them

to encourage higher education institutions to do the same thing.

Part of the reason consolidation in higher education is so important to study is that it is an

example that illustrates while business practices can likely help institutions of higher education,

those business practices have to be adapted. That means faculty members must be willing to

discuss tenure and post-tenure review. It means students need to understand that the cost of their

education is higher than the tuition they pay, so they need to be responsible consumers and take

advantage of the opportunity afforded them. They also must hold themselves accountable and

take the time they need to complete their degree and then, with the help of their institution, find

gainful employment. It also means administrators have to put themselves in the difficult position

of measuring results, being transparent, and breaking down the silos between departments,

colleges, and institutions to identify efficiencies and improvements that ensure quality, access,

and reasonable cost.

The case of CU demonstrates that higher education consolidations can be successful, with

the presence of the "right" leaders and participants. The early statement by the chancellor that,

in hindsight, could be considered the first hint of consolidation, applies to all of higher education, not just his state:

> As I stated at the outset, there are thousands of stories unfolding on our campuses about rich student experiences and the extraordinary achievements of our faculty. [Our goal] is to assure that the State System of Higher Education will be well positioned to serve the citizens for the balance of the 21st century. We want to encourage the creative genius of our campuses, and I am confident they will respond.

Throughout the course of this study, this statement has served as a backdrop during the many interviews, discussions, reflections, and writing sessions. The faculty and administrators responsible for providing the environment where "rich student experiences" and "extraordinary achievements" can occur carry a heavy torch. In a world that is changing at the most rapid pace ever experienced by humans, while that duty becomes much more difficult, it becomes even more important.

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Appendices

Appendix A. U.S. Higher Education Enrollment and Institution Trends
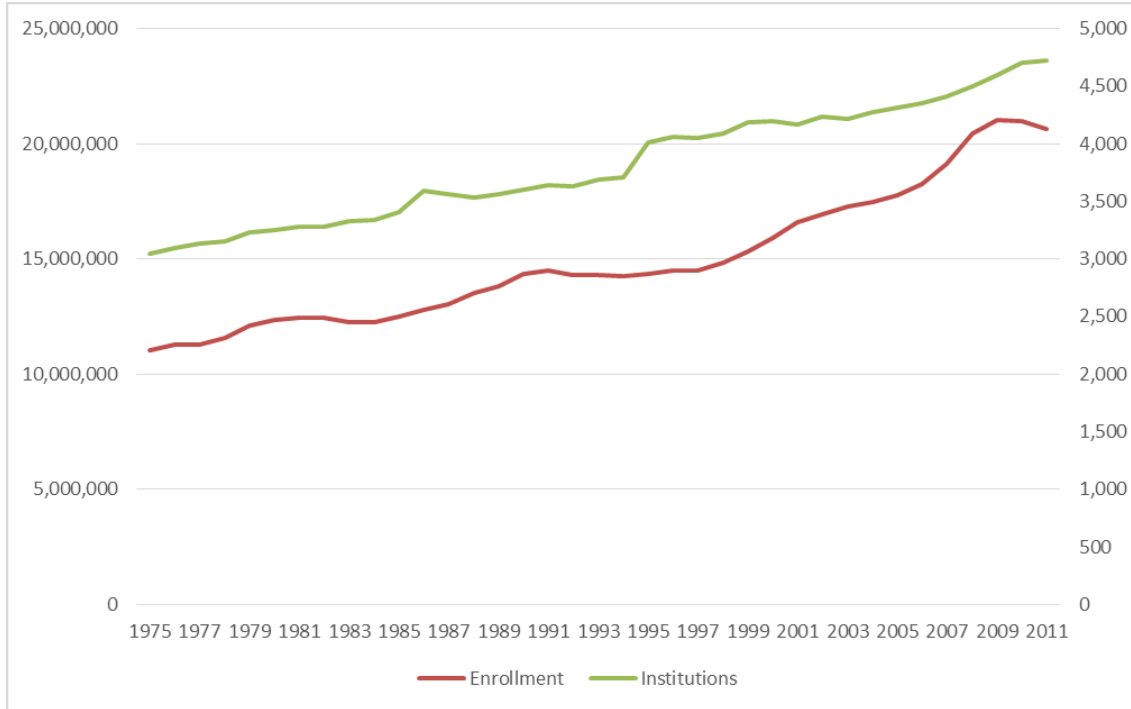
Figure 1. Historical U.S. higher education enrollment and institution population
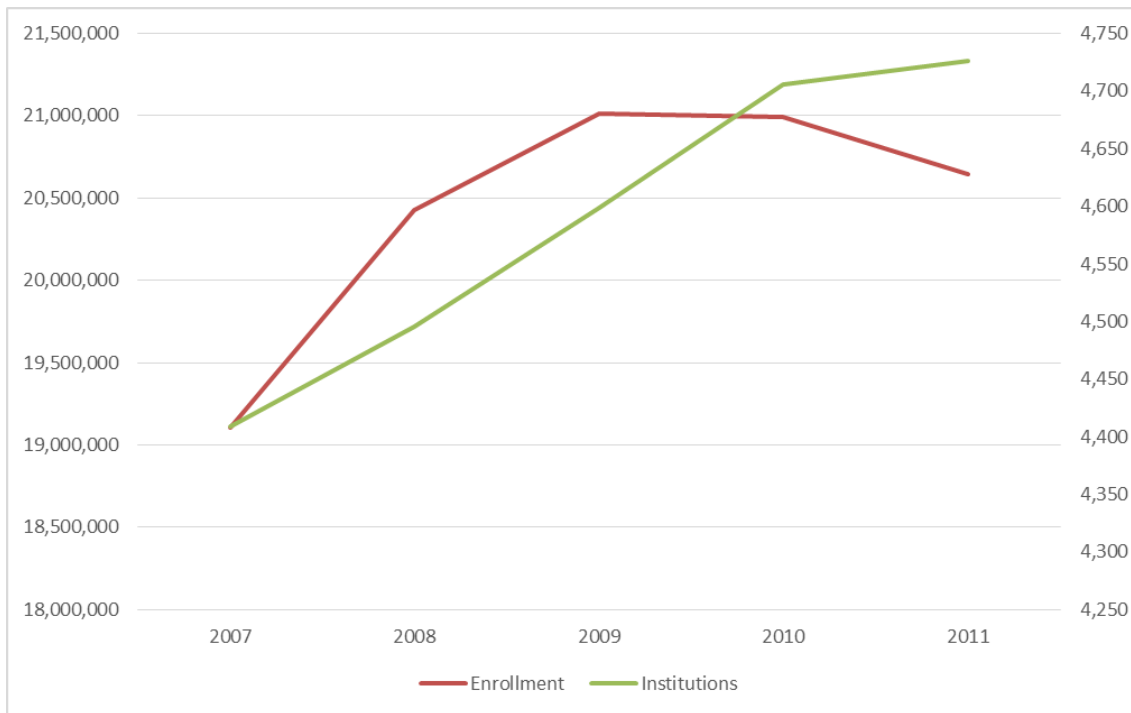
Figure 2. 5-year U.S. higher education institution population

Appendix B. Sample Interview Protocol

Planning Questions

1. When, how, who, and why was the topic of consolidation originally discussed?

2. Please discuss the events and meetings that took place between the time when consolidation was first discussed until implementation began?

3. What research was done in preparation of making the final decision to pursue consolidation? Was it helpful?

4. What are some of the most significant challenges the team expected?

5. What were the most important benefits the team hoped to achieve?

6. What are other challenges or benefits discussed, but not cited as "significant' or "important?"

Implementation Questions

1. Who was involved in the implementation task force? How and why were these individuals selected?

2. What were some of the unanticipated challenges with implementation?

3. What was the timeline for implementation and were goals and deadlines met? How were delays managed?

4. Looking back, what were the best practices and challenges of your implementation?

5. What was done throughout the implementation to measure progress against the goals and objectives set in planning?

6. What was used as guidance or direction when making decisions during implementation?

7. What would you do different if you were involved in another consolidation?

8. What was the most difficult part of the consolidation process?

Assessment Questions

1. Were assessment or evaluation metrics or processes established during planning or implementation? If so, what were they and how were they measured?

2. How was (or is) "success" defined for this consolidation?

3. Who is responsible for measuring and reporting on the assessment metrics?

4. What, if any, decisions or actions may be taken if the assessment does not suggest positive results?

5. Looking back, what data or information do you wish would have been collected during the implementation to assist in evaluating the outcomes of the consolidation?

Appendix C. University of Tennessee Institutional Review Board Approval

THE UNIVERSITY*of*TENNESSEE
KNOXVILLE

Office of Research & Engagement
INSTITUTIONAL REVIEW BOARD (IRB)

1534 White Ave.
Knoxville, TN 37996-1529
865-974-7697
fax 865-974-7400

June 12, 2015

Douglas Hawks,
UTK - College of Business Administration
James A. Haslam II Business Building
1000 Volunteer Boulevard
Knoxville, TN 37996

Re: UTK IRB-15-02249-XP
Study Title: Consolidation in U.S. Higher Education: The Case of the a Regional Institution
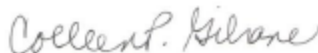
Dear Dr. Hawks:

The Administrative Section of the UTK Institutional Review Board (IRB) reviewed your **application** for the above referenced project. It determined that your application is eligible for **expedited** review under 45 CFR 46.110(b)(1), categories (6) and (7). The IRB has reviewed these materials and determined that they do comply with proper consideration for the rights and welfare of human subjects and the regulatory requirements for the protection of human subjects. Therefore, this letter constitutes full approval by the IRB of your application including the consent form dated and stamped IRB approved. Approval of this study will be valid from 6/12/2015 to 5/31/2016.

In the event that subjects are to be recruited using solicitation materials, such as brochures, posters, web-based advertisements, etc., these materials must receive prior approval of the IRB. Any revisions in the approved application must also be submitted to and approved by the IRB prior to implementation. In addition, you are responsible for reporting any unanticipated serious adverse events or other problems involving risks to subjects or others in the manner required by the local IRB policy.

Finally, **re-approval** of your project is required by the IRB in accord with the conditions specified above. You may not continue the research study beyond the time or other limits specified unless you obtain prior written approval of the IRB.

Sincerely,

Colleen P. Gilrane

Colleen P. Gilrane, Ph.D.
Chair

Appendix D. Agreements to Participate

TO: University of Tennessee Knoxville Institutional Review Board

FROM: ██████████████████████████

DATE: January 14, 2015

RE: Acceptance to work with Doug Hawks' for doctoral study

After reviewing the summary of Doug Hawks' doctoral study – Institutional Consolidation in U.S. Higher Education – I, ██████████████████████████████, agree to allow Mr. Hawks to include our organization in his study.

This agreement does not guarantee that any individual will agree to visit with Mr. Hawks, but the institution will support him in providing accessible written documents, access to individuals involved or impacted by the consolidation, and allow him to use the name of the organization in his report (names of individuals will be disguised).

_____   2-9-15
Signed   Date

_____   _____
Name (typed)   Title

OFFICE OF INTERNAL AUDIT AND COMPLIANCE
270 WASHINGTON STREET, S.W.
ATLANTA, GEORGIA 30334

January 9, 2015

Institutional Review Board (IRB)
University of Tennessee, Knoxville
Knoxville, Tennessee 37996

RE: Acceptance to work with Doug Hawks for doctoral study

Dear Institutional Review Board (IRB):

After reviewing the summary of Doug Hawks' doctoral study - Institutional Consolidation in U.S. Higher Education - I, ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ the University System of Georgia, agree to allow Mr. Hawks to include our organization in his study.

This agreement does not guarantee that any individual will agree to visit with Mr. Hawks, but the institution will support him in providing accessible written documents, access to individuals involved or impacted by the consolidation, and allow him to use the name of the organization in his report (names of individuals will be disguised).

Sincerely,
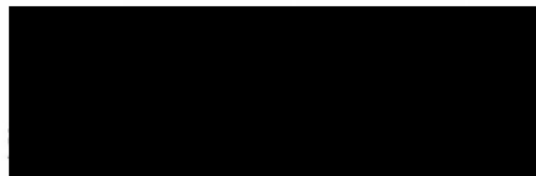
Appendix E. Consolidation Task List

Task Information

Task ID#	Task Category	Task Name/Description
ADM001	Administration	Merge statutes and/or bylaws
ADM002	Administration	Consider inter-institutional transfers of personnel prior to merger, if vacancies occur
ADM003	Administration	Establish processes and procedures for hiring staff and RIF's
ADM004	Administration	Combine organization charts
ADM005	Administration	Determine campus-wide functional units
ADM006	Administration	Merge or retain separate Foundations
ADM007	Administration	Merge or retain separate alumni associations
ADM008	Administration	Review and revise institutional MOUs
ADM009	Administration	Develop new mission statements
ADM010	Administration	BOR approval for consolidation prior to submission of prospectus to SACS
ADDED A		BOR approval to consolidate
ADM011	Administration	Develop new strategic plan
ADM012	Administration	Address continuing education functions
ADM013	Administration	Develop rebranding initiatives and revised college seal
ADM014	Administration	Select college name,
ADDED B		Select college mascot, and colors
ADM015	Administration	Address personnel issues
ADM016	Administration	Determine processes and procedures for hiring full- and part-time faculty
ADM017	Administration	Determine need for salary adjustments
ADM018	Administration	Create integrated public relations plan
ADM019	Administration	Determine location and frequency of graduation ceremonies
ADM020	Administration	Review and revise faculty/staff surveys, and determine schedule of survey
ADM021	Administration	Create common holiday calendar for 12-month faculty and staff
ADM022	Administration	Develop and maintain legislative relationships and support
ADM023	Administration	Address any endowment restrictions
ADM024	Administration	Ensure effective implementation of controls (to include flowcharts, KPI, segregation of duties)
ADM025	Administration	Ensure adequate internal audit coverage
ADM026	Administration	Consolidate risk management operations
ADM027	Administration	Consolidate ethics hotline
ADM028	Administration	Transition legal agreements
ADM029	Administration	Identify all reporting requirements, and develop plan to ensure compliance

ADM030	Administration	
ADM031	Administration	Review outstanding contractual obligations with vendors, and others
ADM032	Administration	Review levels of authority granted to senior administrators
ADM033	Administration	Provide information to federal agencies and other external stakeholders regarding cooperative organizations; create new MOUs as needed
ADM034	Administration	Consolidate IDs: employee, students, parking decals, etc.
ADM035	Administration	
ADM036	Administration	Standardize business procedures and processes
ACAD001	Academic Affairs	Merge current faculty rosters from both institutions
ACAD002	Academic Affairs	Combine curriculums
ACAD006	Academic Affairs	Develop common assessment instruments and cycles
ACAD004	Academic Affairs	Develop institutional curriculum approval process
ACAD003	Academic Affairs	Create common student learning outcomes for general education and Area Fs
ACAD007	Academic Affairs	Develop common Area B requirements
ACAD005	Academic Affairs	Submit any changes to Council on General Education
ACAD008	Academic Affairs	Determine any non-core requirements (health, physical education, others)
ACAD009	Academic Affairs	Develop a uniform course/instructor evaluation instruments used by students
ACAD010	Academic Affairs	Determine syllabi requirements
ACAD011	Academic Affairs	Develop a common academic calendar
ACAD012	Academic Affairs	Merge catalog
ACAD013	Academic Affairs	Develop common advising processes and procedures
ACAD014	Academic Affairs	Combine promotion and tenure policies and procedures
ACAD015	Academic Affairs	Develop common class schedule
ACAD016	Academic Affairs	Ensure a unified course schedule is prepared by Spring 2013 (delete "or Fall 2013" - Fall is too late!)

ACAD017	Academic Affairs	Merge library operations and staffing
ACAD018	Academic Affairs	Ensure academic tutoring services are provided on both campuses
ACAD019	Academic Affairs	Transfer faculty files to one location (near consolidation date)
ACAD020	Academic Affairs	Develop a common faculty evaluation processes (timeline and forms)
ACAD021	Academic Affairs	Combine new faculty orientations and fall faculty conferences
ACAD022	Academic Affairs	Address programs at local high schools
ACAD023	Academic Affairs	Combine Honors Day activities
ACAD024	Academic Affairs	Determine consolidation impact on faculty and faculty workload (if any)
ACAD025	Academic Affairs	Address faculty governance issues
ACAD027	Academic Affairs	Address textbook policies and standardized policies across campuses
ACAD028	Academic Affairs	Combine online course and program offerings
ACAD029	Academic Affairs	Address faculty development opportunities and requirements
ACAD030	Academic Affairs	Coordinate with SACS
ACAD031	Academic Affairs	Coordinate with program-based accreditation entities
ACAD032	Academic Affairs	Consolidate colleges: address departments in different colleges
ACAD033	Academic Affairs	Address program and curriculum differences
ACAD034	Academic Affairs	Streamline program offerings
ACAD035	Academic Affairs	Address statutes and bylaws (faculty senate, committees)
ACAD036	Academic Affairs	Merge Faculty Handbooks
ADMINISTRATION		Merge Staff Handbooks
ACAD037	Academic Affairs	Remain aware of and track conflicts of interest
ACAD038	Academic Affairs	Remain aware of and track intellectual property
ACAD039	Academic Affairs	Update faculty contracts

	Academic Affairs	Combine faculty grievance processes
	Academic Affairs	Faculty sponsors - determine faculty leadership of student organizations/clubs
	Academic Affairs	Combine speakers bureau lists
	Academic Affairs	Establish processes and procedures for determining seniority (faculty & staff)
	Academic Affairs	Committees - determine membership
	Academic Affairs	Administrative Advisory Committees - determine membership
	Academic Affairs	Combine Articulation Agreements
	Academic Affairs	Protecting and preserving those relationships
ACAD040	Academic Affairs	Address consolidation of "centers"
STU001	Student Services	Consolidate admissions, registration, and graduation policies and procedures
STU002	Student Services	Determine SAT/ACT requirements
STU003	Student Services	Develop marketing strategies
STU004	Student Services	Integrate recruiting practices and materials
STU005	Student Services	Combine athletic programs
STU006	Student Services	Combine Student Government Association and other student activities
STU007	Student Services	Consolidate financial aid functions and coordinate with U.S. DOE as needed
	Student Services	Begin preparing the eApp in October Submit eApp in January
	Student Services	Make decision on Perkins Portfolio liquidation or adoption - April/May
	Student Services	Reconcile Aid Years 2010-2011 and 2011-2012 before consolidation
FIS057	Fiscal Affairs	Coordinate with state finance
		Coordinate with Veteran Services
		Coordinate with vocational rehabilitation
STU010	Student Services	Determine grade reporting processes
STU011	Student Services	Address student records policies and procedures
STU012	Student Services	Develop transcript specifications (Standard Key)
STU013	Student Services	Consolidate FERPA training
STU014	Student Services	Address security issues - Records
STU015	Student Services	Review current institutional student surveys and revise survey administration processes
		International students (combining programs)

STU016	Student Services	Develop common transfer, transient, and other policies
STU019	Student Services	Combine career services (interest assessment, and placement)
		Combine counseling centers
		Combine disability services offices and resources
		Combine Health Centers
	Student Services	Combine emergency/behavioral response teams and notification systems
STU020	Student Services	Merge Student Handbook
	Student Services	Combine student disciplinary report databases
STU025	Student Services	Revise judiciary processes
STU026	Student Services	Revise bylaws (student government, student fee committee)
	Student Services	Determine requirements for participation in the Student Health Insurance program
STU030	Student Services	Address housing - policy eligibility
STU031	Student Services	Address bookstores - policy and /inventory
STU032	Student Services	Determine bookstore policies
STU033	Student Services	Transfer of bookstore inventory to one institution
FIS001	Fiscal Affairs	Transfer assets (BOR)
FIS002	Fiscal Affairs	Merge student fee structure
FIS003	Fiscal Affairs	Develop tuition structure
FIS004	Fiscal Affairs	Create new job descriptions for select positions to reflect two-campus institution
FIS005	Fiscal Affairs	Develop accounting processes and procedures
FIS006	Fiscal Affairs	Establish work week schedule for 12-month faculty and staff
FIS007	Fiscal Affairs	Transfer bank accounts
FIS008	Fiscal Affairs	Merge financial systems, PeopleSoft
FIS009	Fiscal Affairs	Merge purchasing processes and procedures
FIS010	Fiscal Affairs	Send notice as required for PPVs
FIS013	Fiscal Affairs	Coordinate with Department of Audits and Accounts
FIS014	Fiscal Affairs	Address FDMRs, full audits, "side by side" reports, consolidated reports; establish timeframes *(SACS Extension for audit financial materials moved from October 1 to October 18, per DOAA)*
FIS015	Fiscal Affairs	Address state CAFR
FIS016	Fiscal Affairs	Address insurance and purchasing
FIS017	Fiscal Affairs	Address bank accounts and other banking matters
FIS018	Fiscal Affairs	Federal: Coordinate with IRS, grants, Foundations, DUNS, FEI, indirect cost percentiles for grants, inventory of each institution's grants, etc.

FIS019	Fiscal Affairs	Coordinate with Department of Revenue
FIS020	Fiscal Affairs	Coordinate with rating and lending agencies, including bond disclosures
FIS021	Fiscal Affairs	Address insurance and benefit vendors; develop communications and standardization within consolidated institution
FIS022	Fiscal Affairs	Determine Business Unit number (create new one, or keep one of the two entities?)
FIS024	Fiscal Affairs	Determine changes to delivered reports - PeopleSoft
FIS025	Fiscal Affairs	Ensure integrity of financial information (before and after)
FIS026	Fiscal Affairs	Determine changes to PeopleSoft trees
FIS027	Fiscal Affairs	Address non-standard chart fields - dept, account, project, etc.
FIS028	Fiscal Affairs	Address budget preparation processes - PeopleSoft
FIS029	Fiscal Affairs	Address Purchase Orders - existing, new, and encumbrances
FIS030	Fiscal Affairs	Address vendor codes
FIS031	Fiscal Affairs	Determine accounting and business process workflows
FIS032	Fiscal Affairs	Determine whether the consolidated institution will use PeopleSoft or a separate database as its financial system
FIS033	Fiscal Affairs	Consolidate iStrategy systems
FIS034	Fiscal Affairs	Address detail codes - BANNER
FIS035	Fiscal Affairs	Address data feeds into consolidated financial system
FIS036	Fiscal Affairs	Determine common remitter - ADP
FIS037	Fiscal Affairs	Determine use of ADP by consolidate entity
FIS038	Fiscal Affairs	Address ADP consolidation
FIS039	Fiscal Affairs	Address payroll issues
FIS040	Fiscal Affairs	Address issues related to historical and new - access and retention PeopleSoft
FIS041	Fiscal Affairs	Address allocations
FIS043	Fiscal Affairs	Address state approvals for RFPs - purchasing issue
FIS045	Fiscal Affairs	Determine authorized signatures - mail in by institution
FIS046	Fiscal Affairs	Create new checks
FIS049	Fiscal Affairs	Address investment accounts
FIS050	Fiscal Affairs	Address credit card and merchant accounts Merge MarketPlace systems
FIS058	Fiscal Affairs	Inventory computer hardware and software, and other IT equipment

FIS059	Fiscal Affairs	Determine communication and IT transition costs
IT001	IT	Merge Web sites
IT002	IT	Consolidate software licenses
IT003	IT	Consolidate BANNER codes
IT004	IT	Consolidate email system for faculty, staff, and students
IT005	IT	Address IT security
IT006	IT	Consolidate VoIP telephone systems
IT007	IT	Consolidate telephone systems
IT008	IT	Consolidate security camera functionality
IT009	IT	Merge work order systems
IT010	IT	Address BANNER hosting issues
IT011	IT	Address BANNER versioning issues
IT012	IT	Address ADM (Data Warehouse) issues
IT013	IT	Merge TOUCHNET systems
IT014	IT	Address network access
IT015	IT	Merge other information systems; address data governance and management
IT016	IT	Meet with Library Directors on 3/15 to discuss details, develop issues checklist; hear from data team
IT017	IT	Costs: Determine database pricing models
IT018	IT	Access: Establish contact who will speak for new institution
IT019	IT	Access: Notify vendors of impending changes
IT020	IT	Access: Current subscriptions transitioning to both campuses or not….
IT021	IT	Access: Set up changes in DOOR (Database of Online Resources), Vendors, 360 Search as needed
IT022	IT	Access: Ask contact for information to set up changes for IP addresses (new, discontinuing, etc.)
IT023	IT	Access: Create new institutions in our systems
IT024	IT	Access: Set up EZPROXY
IT025	IT	Access: Decommission old institutions (while maintaining history, statistics, etc.)
IT026	IT	Access: Library/catalog URLs
IT027	IT	Access: Asking institutions to revisit desktop management to ensure that changes haven't occurred to thwart access because of new firewall systems, etc.
IT028	IT	Access: Change names in various locations on Website as appropriate

IT029	IT	Circulation: Campus decisions will drive decisions (i.e., Student IDs, Barcodes, Location of master patron extract, Circulation policies)
IT030	IT	Technical Services (Acquisitions, Cataloging, Serials): Consider fiscal year end/beginning
IT031	IT	Technical Services (Acquisitions, Cataloging, Serials): Continuations
IT032	IT	Technical Services (Acquisitions, Cataloging, Serials): OCLC (Local data records)
IT033	IT	Technical Services (Acquisitions, Cataloging, Serials): Subject headings (MESH/LC)
IT034	IT	Consolidate, dedup, migrate records
IT035	IT	Costs: Ex Libris data migration costs
IT036	IT	Costs: Ex Libris implementation costs
IT037	IT	Costs: Voyager maintenance costs
IT038	IT	Timing: Next generation library system decision
IT039	IT	Address bandwith as needed
IT040	IT	Configure firewalls
IT041	IT	Work with Educause to establish new domain names and release old ones as appropriate; seek 18 month extension
IT042	IT	Evaluate need to provide virtual data services to campuses being consolidated for testing purposes
IT043	IT	Planning
IT044	IT	- Develop technical Consolidation Scope, Goals, & Objectives
	IT	- Create technical project Plan
IT045	IT	- Create technical Design
IT046	IT	- Create Institutional Technical Consolidation teams
IT047	IT	Design
IT048	IT	- Methodologies Review Sessions
	IT	- Configuration
IT049	IT	- Security
IT050	IT	- Conversion
IT051	IT	- Reporting & Query
IT052	IT	- Testing
IT053	IT	Environment Preparation
IT054	IT	- Develop Requirements
	IT	- Create Environments
IT055	IT	- Cleanup, Test, and Validate
IT056	IT	Integration
IT057	IT	- Banner (GL & AP)

	IT	- ADP
IT058	IT	Institutional Business Process review
IT059	IT	- Business Process Design Session
	IT	- Implement Business Process Changes
IT060	IT	- Document business processes
IT061	IT	Institutional System Configuration
IT062	IT	- ITS Maintained
	IT	- Institutional Validation
IT063	IT	- Institutional Maintained
IT064	IT	- Chart fields
IT065	IT	- Trees
IT066	IT	- Combination Edits
IT067	IT	- Institutional Signoff
IT068	IT	Multi-Business Unit Security & Workflow
IT069	IT	- Design Multi-Business Unit Security Model
	IT	- Develop Multi-Business Unit Security Model
IT070	IT	- Migrate Institutional Users
IT071	IT	- Validate and Test
IT072	IT	- Analyze PeopleSoft Workflow
IT073	IT	- Develop PeopleSoft Workflow Changes
IT074	IT	- Institutional Signoff
IT075	IT	Conversion
IT076	IT	- Production Data Cleanup
	IT	- Perform Conversion Mapping
IT077	IT	- GL Actuals Balances
IT078	IT	- Grants
IT079	IT	- GL Budget Balances
IT080	IT	- Open Purchase Orders Entry Form
IT081	IT	- Vendors
IT082	IT	- Reporting Solution Tables
IT083	IT	- 1099 Balances
IT084	IT	- Open Vouchers
IT085	IT	- Unreconciled Payments
IT086	IT	- Asset
IT087	IT	- Validation and Testing
IT088	IT	- Institutional Signoff
IT089	IT	Reports and Queries
IT090	IT	- Requirement and Design Sessions
	IT	- Report and Query Cleanup
IT091	IT	- Report and Query Development
IT092	IT	- Validation and testing
IT093	IT	- Job Scheduling Analysis
IT094	IT	- Institutional Signoff
IT095	IT	Documentation & Training
IT096	IT	- Create Institutional Specific Documentation
	IT	- Modify ITS Documentation

IT097	IT	- Develop Training Materials
IT098	IT	- Provide Institutional training
IT099	IT	Institutional Acceptance Testing
IT100	IT	- Develop Testing Plan
	IT	- Execute test Scripts
IT101	IT	- Analyze Results
IT102	IT	- Log and Resolve Issues
IT103	IT	- Institutional Signoff
IT104	IT	Move to production
IT105	IT	- Institutional Readiness Session
	IT	- Production Configuration Setup
IT106	IT	- Production Security Migration
IT107	IT	- Production Data Migration
IT108	IT	- Production Reports & Queries Migration
IT109	IT	- Validate and test
IT110	IT	- Institutional Signoff
IT111	IT	iStrategy
IT112	IT	- Requirement and Design Sessions
	IT	- Report Cleanup
IT113	IT	- Report Development
IT114	IT	- ETL Changes
IT115	IT	- Validation and testing
IT116	IT	- Institutional Signoff
IT117	IT	- Institutional Ship To's Updated
IT118	IT	- Institutional Users Update
IT119	IT	Financials Data Mart
IT120	IT	- Institutional Table Updated
	IT	- Support Accounts Updated
IT121	IT	- Security Updated
IT122	IT	- ETL Changes Analyzed and Changes made
IT123	IT	- Report Analysis for Hard Coding and Changes made
IT124	IT	- Review Editor Logic and make any changes
IT125	IT	- Validation and testing
IT126	IT	- Institutional Signoff
IT127	IT	Prerequisites
IT128	IT	Student Information System Merge
	IT	External Authentication Consolidation (if utilized at one or both campuses)
IT129	IT	Consolidated Institutional Name
IT130	IT	Consolidated LMS Institutional Helpdesk
IT131	IT	Planning
IT132	IT	D2L/ITS/Institution Kickoff Session
	IT	Business Requirements Planning Session
IT134	IT	Determine Desire2Learn consolidation option

IT135	IT	Option A: Merge both institutions into new D2L "organization"
IT136	IT	Option B: Merge one institution into an existing D2L "organization"
IT137	IT	Determine resource estimates from institution, D2L, ITS (allocate funds)
IT138	IT	Design
IT139	IT	D2L/ITS/Institution Kickoff Session
	IT	Consolidated D2L Organizational Structure
IT140	IT	Consolidated SIS Integration
IT141	IT	Consolidated Administrator Privileges
IT142	IT	Consolidated Roles and Permissions
IT143	IT	Consolidated Branding
IT144	IT	Consolidated Feature Sets/Tool Usage
IT145	IT	Consolidated 3rd Party Application reconciliation
IT146	IT	Consolidated Reports
IT147	IT	Content Migration Plan
IT148	IT	Consolidated Support Model
IT149	IT	Finalize resource estimates from institutions, D2L, ITS (disperse funds)
IT150	IT	Test
IT151	IT	Build D2L Consolidation in Test Environment (based on selected option)
	IT	Build D2L Organizational Structure
IT152	IT	Build SIS Integration
IT153	IT	Build Administrator Privileges
IT154	IT	Build Roles and Permissions
IT155	IT	Build Branding
IT156	IT	Build Feature Sets/Tool Usage
IT157	IT	Build 3rd Party Application integrations
IT158	IT	Build Reports
IT159	IT	Build Consolidated Support Model
IT160	IT	Test Content Migration Plan/ Migrate Content
IT161	IT	Institutional Validation/Acceptance of Test
IT162	IT	Training/Documentation
IT163	IT	LMS Administrator Training
	IT	LMS Instructor Training
IT164	IT	Update LMS documentation and support references
IT165	IT	Implement to Production
IT166	IT	Determine Institutional Readiness
	IT	Migration from Test to Production
IT167	IT	Teaching occurs in new D2L "organization"
IT168	IT	Prerequisites - ADP
IT169	IT	Determine whether to adopt (institution B Adopted by institution A), adapt(institution A selectively

		adapts B) or merge (institutions A and B merge into C)
	IT	Requirements Definition
IT170	IT	Establish organizational structure and program governance
	IT	Review current and future business processes and functional requirements
IT171	IT	Define requirements for Portal Modifications
IT172	IT	Define requirements for Enterprise H/R and P/R
IT173	IT	Define requirements for Employee Benefits Administration
IT174	IT	Define requirements for Time and Attendance
IT175	IT	Define requirements for Cobra/Retiree Benefits Administration
IT176	IT	Review data, tables, reporting customs and interfaces
IT177	IT	Define initial project plan and resource requirements
IT178	IT	Governance and Communications
IT179	IT	Identify executive sponsors
	IT	Identify Program Manager
IT180	IT	Identify institutional project managers
IT181	IT	Determine common tools and project status reporting
IT182	IT	Project Plans and Project Management
IT183	IT	Develop
	IT	Test
IT184	IT	Modify
IT185	IT	Migrate
IT186	IT	Verify
IT187	IT	Go Live
IT188	IT	Post Go Live Tasks
IT189	IT	Fit/gap application(s)
IT190	IT	Work with XAP to update new application(s)
IT191	IT	Update branding through user console in XAP
IT192	IT	Fit/gap Axiom load(s)
IT193	IT	Work with SSD to update source(s)
IT194	IT	Perform Quality Assurance on changes
IT195	IT	Migrate to production
IT196	IT	Evaluate any entries in Web Tailor that may need updated url(s)
IT197	IT	Prerequisites - BANNER
IT198	IT	Determine whether to adopt (institution B Adopted by institution A), adapt(institution A selectively

		adapts B) or merge (institutions A and B merge into C)
	IT	Planning
IT199	IT	- Develop technical Consolidation Scope, Goals, & Objectives
	IT	- Create technical project Plan
IT200	IT	- Create technical Design
IT201	IT	- Create Institutional Technical Consolidation teams
IT202	IT	Design
IT203	IT	- Methodologies Review Sessions
	IT	- Configuration
IT204	IT	- Security
IT205	IT	- Conversion
IT206	IT	- Reporting
IT207	IT	Environment Preparation
IT208	IT	- Develop Requirements
	IT	- Create Environments
IT209	IT	- Cleanup, Test, and Validate
IT210	IT	Integration
IT211	IT	- PeopleSoft
	IT	Institutional Business Process review
IT212	IT	- Business Process Design Session
	IT	- Implement Business Process Changes
IT213	IT	- Document business processes
IT214	IT	Institutional System Configuration
IT215	IT	- ITS Maintained
	IT	- Institutional Validation
IT216	IT	Data Migration
IT217	IT	Clone Databases
	IT	Export Validation Tables Database
IT218	IT	Import data to Database
IT219	IT	Clean Up Duplicate Records from Import of Databases
IT220	IT	Run Validation Reports on SSN Fields (two reports) Across All Schools & Data Cleanup
IT221	IT	Run Validation Reports on SSN Fields (two reports) within School A and B & Data Cleanup
IT222	IT	Data Conversion Analysis (real dates to be determined)
IT223	IT	Review Data Conversion
IT224	IT	Review Financial Aid Data Conversion
IT225	IT	Review Account Receivable Data Conversion
IT226	IT	Review Registration Data Conversion

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IT227	IT	Review DegreeWorks Data Conversion
IT228	IT	Review TouchNet Data Conversion
IT229	IT	Review TRACs Data Conversion
IT230	IT	Review General Data Conversion
IT231	IT	Review Admissions Data Conversion
IT232	IT	Review Academic History Conversion
IT233	IT	Review Course Catalog Data Conversion
IT234	IT	Review document management systems (BDMS or Nolij); documents will need to be re-located, re-indexed and in some cases re-scanned
IT235	IT	Review campus portals
IT236	IT	Review other ancillary systems (e.g., Schedule25, Resource25, Argos, etc.)
IT237	IT	Data Conversion Requirements Document Generated/Accepted
IT238	IT	Development
IT239	IT	Create and Test Scripts Based on Data Conversion Requirements
	IT	Prepare Test System for Implementation Team Testing
IT240	IT	Implementation Team Testing/Reporting of Data Conversion Corrections
IT241	IT	Update Scripts to Correct Test Database
IT242	IT	New Test Database (One Database)
IT243	IT	Perform Export/Import of Validation Tables
	IT	Run Scripts Against New Test Database
IT244	IT	Testing New Database
IT245	IT	Prepare New Test System for User Acceptance Testing
	IT	Perform User Acceptance Testing
IT246	IT	Reporting of Data Conversion Corrections
IT247	IT	Update Scripts to Correct New Test Database
IT248	IT	User Sign-Off on Data Conversion
IT249	IT	Preparation for Production
IT250	IT	Bring Down General User Access to Schools A and B
	IT	Bring Up Production in Restricted Mode for the Conversion User
IT251	IT	Perform Export/Import of Validation Tables
IT252	IT	Run All Scripts Against Production Database
IT253	IT	Prepare Production System for User Acceptance Testing
IT254	IT	Production User Acceptance Testing
IT255	IT	Go-Live
IT256	IT	Maintain Schools A and B database for F/A reconciliation and other history purposes

IT257	IT	Other Tasks - TBD
IT258	IT	Perform Same Steps to Test Grade Update and End-of-Term AH Update (if needed)
	IT	Perform Same Steps for AR Balances Forward (if needed)
IT259	IT	Prerequisites
IT260	IT	Student Information System and Financials Systems merged
	IT	Evaluate consolidation data requirements and business process changes
IT261	IT	Determine resource estimates from institution, DWH (allocate funds)
IT262	IT	Extract data from source systems
IT263	IT	Transform data to fit organizational needs
IT264	IT	Load data into target systems
IT265	IT	Initiate Building Inventory validation/update for Space utilization Study. Coordinate both institution efforts to inform new president and facilitate data merge.
IT266	IT	Consolidation teams need to review and evaluate current institutions campus master plans for applicability to transition to the new consolidated Institution mission. As the new institution is defined, a new master plan, based on the consolidated mission and multiple campuses, will be needed.
FAC001	Facilities	Merge and review space inventories for accuracy and consistency in coding (in FIR, BLLIP, and other databases)
FAC002	Facilities	Consolidation teams/new President review significant active (and development stage) capital investment projects (regardless of funding source) for alignment with the direction of the new institution. Adjust, revise, relocate, defer or cancel projects if necessary to best address the long term needs of the institution are met over time.
FAC003	Facilities	BOR and using agency are additional insured for all our consultants (contract requirement). Determine whether the using agency is to change now or sometime in the future – what's the point in time where one is the lead?
FAC004	Facilities	Changes to existing bonds/warranties

FAC005	Facilities	Bonds - identify responsibilities for asset tracking and records retention.
FAC006	Facilities	Bonds - work with GSFIC on changes to necessary documentation i.e. commitment letters.
FAC007	Facilities	Revisions to active contracts once the consolidations are complete
FAC008	Facilities	Current delegated authority levels remain in place at each institution during transition. Consider cross training key positions for smooth transition and increased delegated authority upon consolidation.
FAC009	Facilities	Identify any restrictions (that may not allow for use by consolidated institution for intended purpose) on real property deeds
FAC010	Facilities	Identify any reversionary language (that may cause property to revert)on real property deeds
FAC011	Facilities	Understand what real property Institutions own
FAC012	Facilities	Address any use restrictions in any rental agreements
FAC013		Building names - any restrictions on donations for naming that were to a specific named institution
FAC014	Facilities	Consider and implement consolidation of rental space
FAC015	Facilities	Understand what real property Foundations own
FAC016	Facilities	Consolidation and restructuring of maintenance departments: salary surveys and realignment, reporting realignment. Consider cross training opportunities for key positions for smooth transition.
FAC017	Facilities	Identify and reconcile differences in how departments handle M&O of state space vs. auxiliaries, athletics, and research space.
FAC018	Facilities	Naming protocols for buildings
FAC019	Facilities	Printing of campus maps and promotional material
FAC020	Facilities	Signage changes: expressway and roadway signs, entrance and monumental signs, way-findings signs on campus, some building signs
FAC021	Facilities	Address outsourced services/maintenance contracts for plant equipment, HVAC, trash, pest control, heavy mechanical, electrical and plumbing maintenance, elevators, fire systems, lab hoods, etc

FAC022	Facilities	Address shipping and receiving. Establish courier service for inter-campus mail.
FAC023	Facilities	Consolidate preventive maintenance plans, including those for PPVs.
FAC024	Facilities	Identify functional duplication between the two campuses (supervisory, technical: HVAC/MEP, A&E, project management, planning)
FAC025	Facilities	Re-implement management systems: M&O billing and accounting, computerized maintenance management/work order systems, project management systems, merging of assets in asset tracking/management systems
FAC026	Facilities	Consolidate campus security and police policy/procedure manuals. Train where required.
FAC027	Facilities	Contact DOE to address Clery Act reporting requirements from present & historical perspective
FAC028	Facilities	Coordinate meeting w/all Chiefs to discuss/identify best practices for pre and post transitions
FAC029	Facilities	Define public safety responsibilities and authorities for combined operations.
FAC030	Facilities	Identify new FTE requirements for dispatch, patrol, and investigative services.
FAC031	Facilities	Make decision on campus police management structure(s)
FAC032	Facilities	Plan transition training and workshops to assist chiefs/key supervisors to ensure safety/security services are maintained during pre and post consolidation
FAC033	Facilities	Review existing mass notification systems and contracts for consolidation.
FAC034	Facilities	Integrate vehicle fleets (including vehicle identification, ARI Maintenance, leases, APD)
FAC035	Facilities	Consolidate campus safety plans and train where required.
FAC036	Facilities	Coordinate with DOAS to revise workers compensation claims goals and revise workers' compensation premium billing
FAC037	Facilities	Coordinate with POST agency name changes and/or close outs. Transfer officer training records
FAC038	Facilities	Existing emergency operations plans to be maintained. When new organizational structures are created create new emergency operation plans to be in place by culmination of consolidation.

FAC039	Facilities	Identify radio and telephone communication operations to include GCIC/NCIC term access. Identify technology options to integrate dispatch, communication center operations, to include reduction of costs through term access cost savings
FAC040	Facilities	Revise mutual aid agreements with new president then present to the Board for review and approval
FAC041	Facilities	Decide management and reporting structure for EHS and right-to-know responsibilities, including key point of contact for institutional compliance oversight per policy 9.12.4
FAC042	Facilities	Identify critical environmental compliance and occupational safety issues. This includes various permits, reporting, and compliance documents (hazardous waste, radioactive materials licenses, air permits, biosafety, spill response, etc.)
FAC043	Facilities	Address and consolidate service contracts and/or consulting services (waste disposal, lab hood certifications, fire extinguishers, fire sprinkler, subscription services, analytical testing, equipment calibrations, water treatment, etc)
FAC044	Facilities	Amend EPA Self Audit agreement with consolidation changes and new responsible officials.
FAC045	Facilities	Identify new Environmental Management System (EMS) requirements for multiple campuses integration. Currently, the affected 8 campuses are creating separate EMS's.
FAC046	Facilities	Integrate environmental & occupational safety policies, plans, and procedures
FAC047	Facilities	Determine enrollment projections impact on PPV pro-formas
FAC048	Facilities	Determine how operation and management of housing will be conducted
FAC049	Facilities	Determine if students will be charged fee from other institution (such as for recreation centers)
FAC050	Facilities	Determine residency requirements for student housing
FAC051	Facilities	Determine student cohorts that will be charged fees related to PPVs and balance against pro-forma projections
FAC052	Facilities	Identify cost/funding sources for any changes that Foundations need to make (particularly related to PPV financing.)

FAC053	Facilities	Ramp up marketing strategies for student housing for Fall 2012. Robust marketing efforts are needed to fill up PPV housing.
FAC054	Facilities	Consider the responsibility of 5 year facilities condition assessments for PPV's.
FAC055	Facilities	Determine essentiality, after consolidation, of each PPV project
FAC056	Facilities	Identify and reconcile differences in how departments handle M&O of PPV space.
FAC057	Facilities	Reassess outsourced functions on each campus for PPV, such as heavy mechanical, electrical and plumbing maintenance, elevators, fire systems, *et. al.*
FAC058	Facilities	Reconcile all Replacement Reserves accounts for PPV capital improvements.
FAC059	Facilities	Address maintenance contracts for plant equipment, HVAC, trash, pest control, and other similar services
FAC060	Facilities	Analysis of PPV insurance coverage to insure adequate and continuous coverage.
FAC061	Facilities	Consider opportunities for economies of scale on PPV projects (*i.e.* pooled insurance program - currently some campuses not part of pooled program)
FAC062	Facilities	Consider refinancing opportunities to lower cost to students
FAC063	Facilities	Consolidate preventive maintenance plans
FAC064	Facilities	Determine if filings need to be amended for PPVs
FAC065	Facilities	Discern any change to Foundations impact on existing PPVs or financings
FAC066	Facilities	Discern any impact on any Foundation bylaws
FAC067	Facilities	During transition period, understand how debt ratios be calculated (existing institution and/or consolidated institution)
FAC068	Facilities	Institutions accept any pre-funding commitments made to get projects started
FAC069	Facilities	Provide required Notices on all PPVs; *i.e.* to EMMA and others of material change to bond issue
FAC070	Facilities	Address additional satellite campus issues

Vita

Douglas V. Hawks was born in Mt. Pleasant, Utah. Raised primarily in Orem, Utah, he graduated from Timpanogos High School in 1997. From 1998 to 2000, he focused on volunteer service, then began his college education at Southern Utah University in August 2000. He completed his B.S. degree in December 2002 in Business Administration, Magna Cum Laude.

After graduating Douglas began his career in Las Vegas, working for a mortgage lending company. While there, he independently developed a small business recruitment proposal, which recommended partnerships with local businesses popular with homeowners. This program increased office mortgage leads by six times and loans by 400%. During his second year with the company, he began his Master of Business Administration degree at the Kelley School of Business at Indiana University through the Kelley Direct online program – the #1 rated online M.B.A. After one semester online, he transferred to the full-time, in-residence program in Bloomington, Indiana, including studying one week in Washington, D.C. and two weeks in South Africa.

Upon graduating from Indiana University in 2005, Douglas began his career in internal audit and consulting. His experiences included managing project teams for internal process improvement projects for companies ranging from a $100 million startup to a Fortune 200 company. Working for these companies took him to Australia, New Zealand, Germany, France, and throughout the United States and Canada.

Douglas returned to higher education when he accepted the position of Director of Internal Audit at Southern Utah University. During that time, he served as the Editor for *College and University Auditor*. He served in those roles for three years before moving to the University of Tennessee, Knoxville to continue his career and begin work on his doctoral degree in Higher

Education Administration. Douglas currently serves as the Assistant Dean for Finance and

Administration for the Haslam College of Business at the University of Tennessee, Knoxville.