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An Investigation Into the Fiscal Conditions and Management Strategies and Actions Employed by Member Institutions of the Christian College Coalition from 1981 to 1991

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LOYOLA UNIVERSITY OF CHICAGO

AN INVESTIGATION INTO THE FISCAL CONDITIONS AND MANAGEMENT
STRATEGIES AND ACTIONS EMPLOYED BY MEMBER INSTITUTIONS OF
THE CHRISTIAN COLLEGE COALITION FROM 1981 TO 1991

VOLUME I: CHAPTERS 1-4

A DISSERTATION SUBMITTED TO
THE FACULTY OF THE GRADUATE SCHOOL
IN CANDIDACY FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY

DEPARTMENT OF EDUCATIONAL LEADERSHIP AND POLICY STUDIES

BY

MELISSA J. MORRISS-OLSON

CHICAGO, ILLINOIS

MAY 1995

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CHAPTER 1

INTRODUCTION

The financial pressures facing most of American higher education have been well documented in recent years. In spite of substantial tuition and fee hikes and surprising enrollment growth (notwithstanding earlier demographic projections to the contrary), coping with financial stress seems to have become the major challenge for many colleges and universities in the 1990s. While financial stress appears to be creating serious ripples throughout nearly all of higher education in the early 1990s (see *Campus Trends Survey*, 1993), the challenge is perhaps particularly troublesome for the small, special purpose institution, such as the Christian liberal arts college. With its limited resource base, its heavy reliance on tuition and fees, and its narrow mission and subsequent smaller base from which to draw students, the Christian liberal arts college faces unique constraints as it attempts to adapt to the changes taking place in all of higher education.

Background

An overview of demographic and enrollment trends helps explain in part the challenges facing American higher

education in general and the small, Christian college in particular.

Demographic Trends

One of the most significant issues facing higher education in recent years has been the projected, continual decline in high school graduates. The number of public high school graduates decreased from 3.2 million in 1976-77 to 2.4 million in 1985-86 (a decrease of 18%), rose to 2.5 million in 1987-88, and then decreased to 2.2 million in 1991-92. Overall, the size of the nation's public high school graduating class declined on average a total of 20 percent between 1979 and 1992. Over the next several years, the number of high school graduates is expected to first fluctuate slightly and then begin a slow climb to a high of 3.2 million by the year 2009 (National Center for Educational Statistics, 1993). Moreover, educational demographic research agencies such as the Western Interstate Commission of Higher Education predict wide regional variation for higher education enrollments over the next decade. For example, while the Western state region is predicted to increase at the fastest rate between 1992 and 2009 (65% increase), other regions are predicted to increase at a slower rate (an increase of 29% is predicted for the South/Southcentral region, 25% for the Northeastern region, and 15% for the Northcentral region). Regarding the number of high school graduates, the Western region (currently with

the least number of high school graduates) is expected to overtake the Northeast region by the year 1997, and the Northcentral region by the year 2005 (Western Interstate Commission for Higher Education, 1992).

There is obviously both good news and bad news in this kind of projection. The good news is that if higher education can successfully weather the current storm, it may potentially look forward to growth and opportunity in the coming century. The bad news is that to reach that point, the higher education community may need to endure awhile longer the national decline since the late 1970s in the traditional college-age population of eighteen- to twenty-four-year-olds.

Enrollment Trends

Interestingly, while the number of high school graduates decreased during the early 1980s, the projected decline in college enrollments failed to materialize in much of American higher education until only recently. To the surprise of many, colleges and universities experienced a 17 percent enrollment increase in the 1980s, from 12.1 million in 1980 to a record 14.4 million in 1993 (*The Chronicle of Higher Education: Almanac*, 1993). Enrollment in the private, 4-year sector increased from 2.4 million to 2.8 million during the same period (National Center for Educational Statistics, 1993). Analysts have offered a variety of explanations to account for the unexpected

enrollment growth. For example, Hughes, Frances, and Lombardo (1991) suggest that increases in the college-going rate of both the traditional college-age and older population groups as well as increases in the number of women, minority, part-time, and foreign students during the past decade have been substantial enough to more than offset the projected enrollment decline. In the 1980s, for instance, enrollment among those in the 25-34 age group increased by 5 percent (from 3.1 million to 3.3 million), while enrollment in the 35+ age group increased by 46 percent (from 1.4 million to 2.1 million). According to Hughes, Frances, and Lombardo (1991), students in this latter category account for 86 percent of the unexpected enrollment increase that took place during the 1980s. Other reasons given for the enrollment scenario of the 1980s include the greater intensity applied by many colleges in the areas of recruitment and marketing, the development of institutional retention programs, and the employment of multiple revenue-generating strategies (Hamlin & Hungerford, 1988; Hossler, 1991; Hutchinson, 1988; O'Keefe, 1989): Taken together, these factors seem to have compensated for the decline in traditional aged students.

Increased enrollments in colleges and universities have not necessarily resulted in improved financial conditions.

During the last three decades, for example, academe lost a total of 337 institutions, the majority of which were private (see Table 1 below).

The experience of the private sector as shown in Table 1 supports a belief held by some analysts: the "tough times" predicted to hit higher education since the mid 1970s, while delayed temporarily due to some of the factors described above, will take hold with great force in the early 1990s (Frances, 1986; Hauptman, 1990; Hughes, Frances, & Lombardo, 1991). Further support for this perspective is provided by recent *Campus Trends* survey results. In the 1990, 1991, 1992, and 1993 editions of this survey, which is administered to higher education administrators across the nation, financial issues were reported to be of paramount concern. For much of the public sector, basic funding has been cut back abruptly, despite continuing enrollment increases (nearly half reported stagnant or decreased operating budgets), and administrators are scrambling to deal with the consequences of this financial squeeze. Increased tuition and fees, increased class size and fewer class sections, faculty hiring freezes, new program postponement or cancellation, and reduced spending on building, equipment, and library acquisition are but a few of the effects noted by public university administrators (The American Council on Education, 1993).

In the private sector, colleges face different

TABLE 1

INSTITUTIONS OF HIGHER EDUCATION THAT HAVE CLOSED
THEIR DOORS 1960-61 TO 1991-92

Year	All	Public		Private	
		4-Year	2-Year	4-Year	2-Year
1960 to 1964	25	0	6	4	15
1965 to 1969	70	0	10	29	30
1970 to 1974	98	0	17	48	33
1975 to 1979	43	1	1	28	13
1980 to 1984	26	0	0	21	5
1985 to 1991	75	0	2	37	36
Total	337	1	36	167	132

Source: U.S. Department of Education, Digest of Educational Statistics, (Washington, D.C.: National Center for Educational Statistics, 1992).

but equally severe stressors. Many of these schools are confronting a decade-long financing squeeze, in which administrators have tried to keep their colleges affordable to a wide range of students while upgrading and improving the campus as resources are available. One third of the private colleges responding to the 1993 survey reported having made recent budget cuts.

with one-third expecting to make cuts in the near future. The most urgent financial stresses noted by the private college administrators include: urgent spending needs such as funds needed for capital improvements and increasing financial aid costs, rising employee-related costs, enrollment uncertainty, and the challenge of cost containment in the face of increasing enrollment and increasing program needs (The American Council on Education, 1993). Taken together, the findings from both sectors highlight the fact that American higher education is clearly confronting difficult times.

Chabotar and Honan's (1990) national study involving 126 private colleges provides even more specifics on what is happening on a campus level; over half of these schools (55%) reported experiencing a "severe" financial crisis in the last decade. According to Chabotar and Honan, the existence of serious financial exigency was verified by having met at least three of the following criteria: "Five percent decline in FTE enrollment for three or more years; decline in gifts and donations for two years; deferral of 50% of annual plant and equipment repair and maintenance for two or more years; tuition income exceeding 60% of total expenses for two or more years, and an endowment smaller in size than institutional expenses for two or more years" (p. 30).

Continuation of the increased enrollment patterns which

in many cases have counterbalanced these financial stressors seems quite unlikely at this point. For instance, some are now beginning to predict the leveling off in the 1990s of the adult student market, a population upon which many institutions in the 1980s depended upon for balanced enrollments (Frances, 1986; Hauptman, 1990; Hughes, Frances, & Lombardo, 1991). And although 49% of colleges increased their first-time freshmen enrollment in 1993-94, this was down from 62% in 1988-89. Overall, nearly 36% of baccalaureate degree granting colleges reported decreases in entering freshman classes in 1993-94 with admissions directors at both public and private sector schools predicting smaller freshman classes for the next few years (*Campus Trends*, 1994). In addition, freshman headcount enrollment at private four-year colleges decreased an average of 6% between 1981 and 1991 (National Center for Educational Statistics, 1993).

Trends at Christian College Coalition Schools

While the enrollment horizon does indeed appear to be darkening, these nevertheless are aggregate projections. A discussion of this kind clearly assumes two homogenous sectors within higher education and omits important details about what is happening at different types of private colleges. For example, in a survey conducted in May, 1985, with 72 members of the Christian College Coalition, 32 (44%) institutions had experienced enrollment increases since

1982, while 35 (49%) institutions had experienced enrollment decline. The average decline for these thirty-five institutions between Fall, 1982, and Fall, 1984, was 6.7% (Christian College Coalition [CCC], 1986). A second enrollment study of the same institutions for Fall, 1980 to Fall, 1986 revealed a worsening situation. While 30 (42%) of the institutions enjoyed some enrollment growth (median increase of 13.9%), 41 (57%) institutions declined an average of 12% during the same period (Clark, 1989). No follow-up studies have been conducted for the Christian College Coalition sector since 1989.

The enrollment decline at Christian College Coalition institutions is troubling when one considers a 1980 National Institute of Independent Colleges and Universities study entitled Private-College Openings, Closings, and Mergers, 1970-79. According to the study's conclusions, the institutions most vulnerable to enrollment decline were typically "small, church-related, and coeducational" (p. 8). Such a scenario seems to reflect the predictions of higher education authorities such as Fred E. Crossland, who hypothesized that the non-prestigious private colleges in a state with aggregate enrollment declines of 26% might expect to decline by nearly 50% in enrollment (Breneman, 1982, p. 28). Likewise, the 1980 Carnegie Council study mentioned earlier identifies categories of vulnerability to enrollment declines, the most vulnerable being "the less selective

liberal arts colleges and private two-year colleges" (p. 64).

Other Stressors

Clearly, the small, Christian liberal arts college seems highly sensitive to the enrollment and demographic trends of the recent past as well as those projected for the future. But why are these institutions unusually vulnerable to such external forces? Historically, private higher education has relied quite heavily on tuition and fees and less on endowment and auxiliary enterprise income as major sources of institutional revenue. As noted by McPherson (1978), inordinate dependence on tuition revenue makes a college "more vulnerable to competitive factors that reduce demand, and also less able to innovate, experiment, and weather bad times" (p. 189). Recent data reveal a striking increase in recent years in the private sector's dependency on tuition and fee revenue, coupled with lesser increases in private gift and auxiliary enterprise income. For example, from Fiscal Year (FY) 1980-81 to Fiscal Year (FY) 1990-91, the percentage of general and educational revenue derived from tuition and fees for private institutions increased from 35.7% to 40.4%; this compares to an increase of from 13.6% to 16.1% for public institutions during the same period. Overall, the private sector now relies most heavily on tuition and fees (40.4%), federal appropriations, grants, and contracts (15.5%), auxiliary enterprise (10.7%), private

gifts, grants, and contracts (8.6%), and to a lesser extent on endowment (5.2%), and state and local support (2.2%) as sources of institutional revenue. The private sector's revenue base stands in sharp contrast to the public sector which receives 40.3% of its revenue from state and local appropriations, gifts, and contracts (U.S. Department of Education, 1992).

According to data obtained for this study, reliance on tuition revenue may be an even greater problem for the Christian College Coalition schools. For example, tuition and fee revenue accounted in 1991 for an average of 54% of the total budget for the typical Christian College Coalition school and as much as 89% of the budget at the smaller colleges. On the other hand, private gift income provided an average of 12% of revenue with endowment income adding a mere 3% of the budget for the Coalition schools.

Increasing dependency on tuition and fee revenue is coupled with a second disturbing trend -- a recent decline in private donations to higher education. For example, the Council for Aid to Education reported a three percent drop in donations to 70 private universities and a 3.5% decline in overall giving to higher education in 1988, one of the few such declines in the past thirty years (Chabotar & Honan, 1990, p. 29). While overall giving from all sources rebounded by an average of 5% between 1990 and 1991, many campus fund raisers nevertheless reported decreased

contribution levels for 1991-92 (McMillen, 1991).

Information obtained for this study revealed an average 16% drop in private gift income at the Christian College Coalition schools between 1981 and 1991.

High tuition dependency coupled with actual and/or projected declining full-time enrollments (FTE) create obvious challenges for the small, Christian college. However, other factors, many of which impact the private sector as a whole, must be considered as well. Recent data reveal that the difference between the average cost of attendance at private and public colleges as a percentage of the cost at a public college has increased sharply in the last decade: charges at public colleges increased an average of 95% during the period from 1981-82 to 1991-92 compared to an average increase of 127% for the private sector (National Center for Education Statistics, 1992). It is important to note that during this same period, the median family income and the Consumer Price Index for all goods and services increased at a significantly lesser rate (approximately 47%) (Hauptman, 1990).

The ability of a family to afford to send its children to college depends upon many factors, including tuition levels, the availability of financial aid, family income, and family size. Tuition plus room and board are a measure of the college's "sticker price". Deducting the financial aid amount leaves the net price. The average cost for

tuition, room and board as a percentage of family income provides a reasonable measure of the financial accessibility of a college education. The data in Table 2 below illustrate more clearly the impact of the widening tuition gap on college affordability for families of differing income levels. Specifically, tuition, room, and board expenses as a percentage of family income have grown much more rapidly at private colleges than at public institutions over the past twenty-five years. This differential is particularly significant for families at the lower-to-middle income levels (where median family income levels have actually fallen from \$13,128 in 1975 to \$10,434 in 1990 for families at the 10th percentile compared to an increase from \$76,187 in 1975 to \$84,136 in 1990 for families at the 90th percentile [reported in constant dollars]) (U.S. Department of Education, 1992).

There is some evidence to suggest that this widening tuition gap is beginning to take its toll on the private sector generally and on the small, Christian college specifically. Data from a Christian College Coalition-sponsored survey (Enrollment Management Consultants, 1987) reveal that these colleges now perceive their greatest competition to come from four-year state colleges first, and other Christian colleges, second. In follow-up research with applicants who did not matriculate, 97% of these institutions indicate that higher cost is the primary reason

AVERAGE UNDERGRADUATE TUITION, ROOM, AND BOARD
AS A PERCENTAGE OF INCOME OF FAMILIES WITH
CHILDREN 6-17 YRS OLD AT SELECTED FAMILY
INCOME PERCENTILES 1975 - 1990

Year	Income Percentile - Publics				
	10th	25th	50th	75th	90th
1975	32.1	16.9	10.5	7.5	5.5
1978	31.7	16.3	9.9	7.1	5.2
1981	30.3	18.3	10.5	7.2	5.3
1984	34.1	20.8	11.9	7.8	5.6
1987	36.9	22.1	12.1	7.9	5.7
1990	37.7	22.7	12.9	8.4	5.9

Year	Income Percentile - Privates				
	10th	25th	50th	75th	90th
1975	70.5	37.2	23.2	16.4	12.2
1978	71.7	37.1	22.3	16.2	11.8
1981	70.2	42.4	24.4	16.7	12.2
1984	81.8	50.2	28.7	18.8	13.5
1987	95.8	57.3	31.4	20.6	14.8
1990	102.4	61.7	35.1	22.8	16.1

Source: U.S. Department of Education, Digest of Educational Statistics, (Washington, D.C.: National Center for Educational Statistics, 1992).

given for nonmatriculation. As the study concludes:

Total cost is a powerful predictor of a student's decision not to apply and an accepted student's decision not to enroll. A conclusion one can derive from the data is that Christian colleges are viewed as too expensive, in great part because their primary competition now comes from the public sector (p. 10).

Evidence to substantiate these concerns can be found in the annual *American Freshmen: Twenty Year Trends* survey which indicates that the median family income of students enrolling in public four-year colleges and universities has steadily increased in recent years relative to the incomes of freshmen enrolling in private four-year colleges (Astin, Korn, & Berz, 1990). In commenting on this trend, Hauptman (1990) suggests that in the face of decreased aid and increased college costs, lower- and middle-income students are not forgoing higher education: "Instead, they seem less willing to face the private colleges' higher sticker price and are enrolling in greater numbers in the lower-price public institutions" (p. 17). Hauptman's conclusion is supported by the literature on demand for higher education which suggests that, although the decision to enroll in college is relatively insensitive to modest price changes, the decision where to enroll is quite sensitive to changes in relative charges of competing institutions (McPherson, 1978, p. 185). This finding has particular importance for

the small, Christian college which historically has recruited a significant number of its students from the lower- and middle-income levels.

Several factors contribute to these recent substantial college tuition hikes, the most frequently cited of which include: 1) the expense involved in increasing faculty salaries at a level above the cost of living; 2) the cost to cover increased employee benefit expenses; 3) the cost of new buildings and plant maintenance, much of which was deferred during high inflationary periods; 4) the cost of computers, as well as laboratory and other educational equipment; 5) the cost of administrative overhead; 6) the cost to augment federal and state student aid with internal funds, and 7) the cost to strengthen recruitment and retention to offset competition by other institutions (Chabotar & Honan, 1990). Taken together, such factors constitute an inordinate drain on the small, Christian college's budget. Typically lacking in abundant resources, such colleges have few options other than to pass these escalating costs on to their students.

Statement of the Problem

Some very clear patterns emerge when the implications of these various conditions are summarized. The small, less-selective, Christian college is potentially in a weak position on many of the dimensions discussed above. The demand for enrollment at these colleges already appears

strained from price competition from the public sector. Highly dependent on tuition revenue yet lacking in substantial resources, such schools have been especially hard-hit by the spiraling costs which have impacted all of higher education in recent years. And, given its typically less-selective admissions stance, as well as its typically less-affluent student base, the small, Christian college is obviously vulnerable to further increases in the tuition gap; not to mention further changes in the structure of higher education which might make other sectors even more attractive to the very student it wishes to recruit.

Despite these seemingly insurmountable challenges, many small, private colleges have successfully weathered the storms in recent years. Chaffee and others (1983) report several instances of small, liberal arts colleges rallying at death's door in the 1970s and 1980s to rebound to a position of strength and well-being in subsequent years. Even more recently, O'Keefe (1989) reports on the extraordinary growth during the 1980s of a number of independent, four-year colleges, many of which had enrollments of less than 1,000 in the late 1970s. Data obtained for this study reveal that while a growing number of Christian College Coalition (CCC) institutions are experiencing enrollment decline, a sizeable number are also reporting enrollment growth. Several observers attribute the growth that is occurring in the private, church-related

sector to increasing enrollments at Christian College Coalition institutions (Moseley & Bucher, 1982; Sandin, 1992).

Small, private colleges are clearly facing serious threats because of changing economic and political environments. Several observers (e.g., American Council on Education, 1992; Hughes, Frances, & Lombardo, 1991; Kerr, 1990) agree that environmental turbulence and complexity have greatly accelerated in recent times and that the ability of colleges to cope with those changes is being stretched. Nevertheless, a number of colleges appear to be successfully adapting to these pressures. In the midst of such threats, the stability of less visible Christian College Coalition institutions is a particularly interesting anomaly. The obvious question raised then, is, given the adversity facing all small colleges, how might one account for those scattered instances of resiliency? This study is designed to answer that question, particularly as it relates to the Christian liberal arts college sector.

Purpose of the Study

Despite the uniquely challenging pressures facing the small, Christian liberal arts college, there are many institutions of this type which seemingly are weathering quite well the turbulence of the past decade. This study is an attempt to identify factors which have enabled the resiliency of some of these colleges but not others. The

institutions included in this study are the 82 North-American member institutions of the Christian College Coalition. The Coalition is an association of mostly small, less selective liberal arts colleges and universities which have committed themselves to integrating a Christian worldview and perspective throughout all of campus life (Choose a Christian College, 1992).

Research Questions

In keeping with the primary purpose of this study, the principal research objectives to be addressed are: 1) to ascertain the current condition of the Christian college sector and how this condition has changed during the period from 1981 to 1991, 2) to identify the specific management strategies or tools used by the Christian colleges during this same period, and 3) to determine whether there is a statistically significant relationship between the use of specific management strategies and changes in institutional condition. The second and third objectives are addressed in an attempt to better understand why some Christian colleges but not others have been able to achieve and/or maintain resiliency in the midst of a changing economic and political environment.

In addressing these objectives, the researcher has examined several enrollment, financial, and programmatic variables as well as changes in these variables at the CCC schools between 1981 and 1991. The researcher has

identified the specific management strategies and tools that have been used during the ten-year period 1981-1991 by the 82 Christian College Coalition institutions. Particular attention is given to describing the strategies in most and least frequent use at these colleges as well as to examining differences in strategy usage between Improving, Stable, and Declining colleges during the period from 1981 to 1991. The research also examines whether a statistically significant relationship exists between the use of specific strategies and change in institutional condition. This is done in order to assess what effects specific strategies have had on institutional performance measures.

The strategies being examined are described, categorized, and analyzed using Chaffee's strategic management typology (described in Chapter II), with particular attention given to adaptive and interpretive management strategy. Strategies selected for inclusion in the survey used in this study relate to areas that have been identified in the research as having importance for institutional performance including: enrollment management, financial development and management, mission and ethos, programmatic development, and overall strategy and leadership. It is expected that there will be clear differences both in institutional characteristics as well as in the strategies employed by colleges which have experienced improving conditions, those which have

experienced declining conditions, and those which have experienced little to no change in condition during the period 1981 to 1991.

Definition of Terms

Terms used in this study are operationally defined in the following manner:

1. college and university - For the purposes of this study, limited to four-year non-proprietary institutions of higher education.
2. Christian college - For the purposes of this study, limited to members of the Christian College Coalition, an association of 85 "Christ-centered" colleges and universities of the liberal arts and sciences (see Appendix 1). Coalition institutions meet eight criteria for membership: an institutional commitment to the centrality of Jesus Christ to all campus life, integration of biblical faith with academics and student life, hiring practices that reflect a personal Christian commitment from each full-time faculty member and administrator, accreditation and primary orientation as a four-year liberal arts college, fundraising activities consistent with the standards set by the Evangelical Council for Financial Accountability, a commitment to participating in Coalition programs,

cooperation with and support of other Coalition colleges, and responsible financial operation (Choose a Christian College, 1992).

3. institutional condition - For this study, the term "condition" is used to refer to an institution's overall health and well-being. While the primary focus is on financial health (as determined by a combination of various measures), other variables which impact an institution's health are considered as well.
4. institutional resiliency - For this study, "resiliency" denotes a state of sufficient financial flexibility so as to be able to respond effectively and adapt appropriately to one's environmental context.

Significance of the Study

This study is different from previous research which has been conducted on this topic in four important ways. First, while some research has been conducted over the past several years to study the relationship between the use of specific management strategies and response to conditions of decline, virtually no research of this kind has been conducted with the Christian liberal arts college population. Thus, this research should yield important information for individuals and institutions who have a particular interest in the Christian college sector.

Second, while nearly all of the previously conducted research employs a uni-dimensional measure for assessing

institutional performance (i.e., enrollment change, revenue change), this study uses a multi-dimensional measure which considers several variables which are believed to be important contributors to institutional health. As noted in Chapter II, there has been very little research in higher education which links the use of specific strategy with institutional performance measures. Therefore, this study should make an important contribution to our understanding of how strategy actually works in a college or university setting.

Third, only a handful of studies conducted on this topic employ a timeframe for examining change in institutional condition spanning beyond five years. In fact, most of the studies limit their timeframe to a period of no more than five years. The ten-year timeframe employed in this study provides a more comprehensive framework by which to assess institutional performance. The analysis which is conducted against such a framework should yield more valid and reliable findings.

Fourth, and finally, while the literature review uncovered a number of studies testing the relationship between the use of strategies specific to one operating area and institutional performance (e.g., the impact of the use of admissions and recruitment strategies on enrollment growth or decline), the author of this study did not find any study using as comprehensive a range of management

strategies in combination with a multi-dimensional measure of institutional performance and/or spanning as broad a time period (ten years) as is used in this study.

Because of these distinctives, it is hoped that this research will significantly extend the work already conducted in this area in addition to providing a comprehensive look at the Christian liberal arts college sector. Given the scarcity of research on this particular sector, this study should provide valuable benchmark information for administrators of such colleges as well as insights on the types of strategies in use at the most resilient institutions.

Possible Limitations of the Study

The selection of any research methodology carries with it the potential for both advantages and drawbacks. This study, which uses survey methodology and which relies heavily on a conjectural method for assessing institutional condition, is no different. Inherent in the peculiar nature of this research are any number of limitations which could potentially affect the findings of this study. Three such limitations are worth mentioning at the outset of this study.

First, the research reviewed for this study makes very clear that it is difficult, if not impossible, to arrive at a precise, single definition of fiscal health. Researchers agree that the evaluation of any specific financial measure

internal and external environment. An index incorporating some of the most important indicators for financial health was used in this study for the initial categorization of institutions into the three groups for analysis: Improving, Stable, and Declining. However, in the case of a handful of institutions, this researcher found it necessary to go beyond the index and to consider other factors in deciding in which group to place these institutions. For example, a college with small enrollment (less than 1,000) is at much greater risk than a larger college and is impacted more significantly by even marginal declines in a measure such as the funds balance ratio. In addition to the index, factors such as size, enrollment composition, tuition dependence, level of change in particular financial ratios, were also taken into consideration in deciding in which group to place each college. Given the subjective nature of this group assignment process and the inherent lack of precision in assessing fiscal health, there is some risk of achieving "soft" results.

A second potential limitation involves survey methodology. Whenever one uses a survey instrument as a primary method for data collection, one is depending heavily on respondents to provide clear and accurate information. And, when the survey spans a number of years, one is depending upon respondents to accurately remember events as they actually occurred. Obviously, the inherent risk with

this methodology is that for whatever reason, respondents might not provide truthful responses or, might be unable to faithfully render accounts of past events.

A third and final potential limitation pertains to the time span of this study. This study is interested in what happened to the CCC schools during the period 1981 to 1991. The methodology involves taking a snapshot of these schools during this time period. Because the study is limited to this period, changes taking place subsequent to 1991 will not be reflected in the findings of this study. For example, some of the schools have no doubt improved their conditions since 1991, while others have perhaps declined. It is also possible that colleges categorized as declining institutions began turning around in the mid-to-late 1980s. Given that such an event typically takes several years to unfold, one might not know that a college had been incorrectly categorized until several years hence.

Organization of the Study

Chapters II through V extend the discussion begun in Chapter I. Chapter II provides a review of literature pertinent to this discussion. Specifically, research and literature related to organizational adaptation theory, strategic planning and management, and successful college management practice and theory are reviewed and discussed. Chapter III outlines the methodology for this study including the theoretical framework, computation procedures,

and data collection and analysis procedures. The three research questions provide the organizing framework for Chapter IV which provides an overview and analysis of the results. The research questions are treated separately but also summatively. Finally, Chapter V synthesizes the most salient findings of the study, offers possible implications for institutional response as well as recommendations for further research in this field.

CHAPTER 2

REVIEW OF RELATED LITERATURE

The purpose of this chapter is to review the literature that supports the primary research questions under examination in this study. A growing body of literature has evolved since the 1970s which provides a framework for this research. This literature base borrows heavily from the business management and organizational theory fields as well as from higher education research. While there is considerable disciplinary overlap, this base can be divided into three distinct clusters: 1) organizational adaptation literature, 2) strategic planning and management literature, and 3) successful college management literature. Taken together, the concepts and approaches which come from these three clusters provide a comprehensive framework by which one might understand the various responses to institutional adversity and efforts toward institutional success in higher education.

Organizational Adaptation Literature

The body of organizational adaptation literature is really quite new (most has been published since the 1970s) with initial attention focused almost entirely on the

description of individual organizations using a case study approach (e.g., Bowen & Glenny, 1980; Miles & Cameron, 1982; Mintzberg, 1978; Mintzberg & Waters, 1982; Pfnister et al., 1982; Smith & French, 1975). Nearly all of these early studies focused on business organizations. The research base began to expand in the late 1970s to include comparative and larger scale studies using descriptive and inferential statistics (e.g., Anderson, 1978; Chaffee, 1984; Hambrick, 1982; Miles & Cameron, 1982; Miller & Friesen, 1980; Paine & Anderson, 1977; Zammuto, 1983). An increasing number of these later studies centered around organizations other than business (i.e., hospitals, government agencies, higher education) with the authors' emphasis focusing largely on the ways in which organizations change with their environments. Most of the measures of organizational success for the business-oriented studies were financial; whereas, the outcome measures used in non-profit organizations (i.e., higher education) tended to be more reputational and less financial. A central assumption underlying nearly all of the studies cited above is that successful organizational adaptation is primarily due to controllable factors (i.e., managerial and organizational actions). Some observers in the field note the need for more large scale studies in order to generate findings which might have enhanced applicability (e.g., Cameron, 1984; Chaffee, 1985; Smart, 1989).

Cameron (1984) provides a definition for the concept of "organizational adaptation" which seems to accommodate much of the research in the field:

Organizational adaptation refers to modifications and alterations in the organization or its components in order to adjust to changes in the external environment. Its purpose is to restore equilibrium to an imbalanced condition. Adaptation generally refers to a process, not an event, whereby changes are instituted in organizations. Adaptation does not necessarily imply reactivity on the part of an organization because proactive or anticipatory adaptation is possible as well. But the emphasis is definitely on responding to some discontinuity or lack of fit that arises between the organization and its environment (p. 123).

Cameron goes on to organize on a continuum (see Figure 1) the various approaches to organizational adaptation which have been taken by researchers working in the field. These approaches can be divided into four general categories, ranging from those assuming little or no managerial influence but significant environmental power to those assuming substantial managerial discretion with a less prominent role for the external environment.

The "population ecology" or "natural selection" view reflects the ideas of those researchers who view the environment as a very powerful and pervasive force (Aldrich, 1979; Aldrich & Pfeffer, 1976; Birnbaum, 1983; Hannan & Freeman, 1977; McKelvey, 1982). According to these authors, adaptation occurs not because of intelligent or creative managerial action but instead by the random and evolutionary development of characteristics that are compatible with the environment. Essentially, managerial discretion and

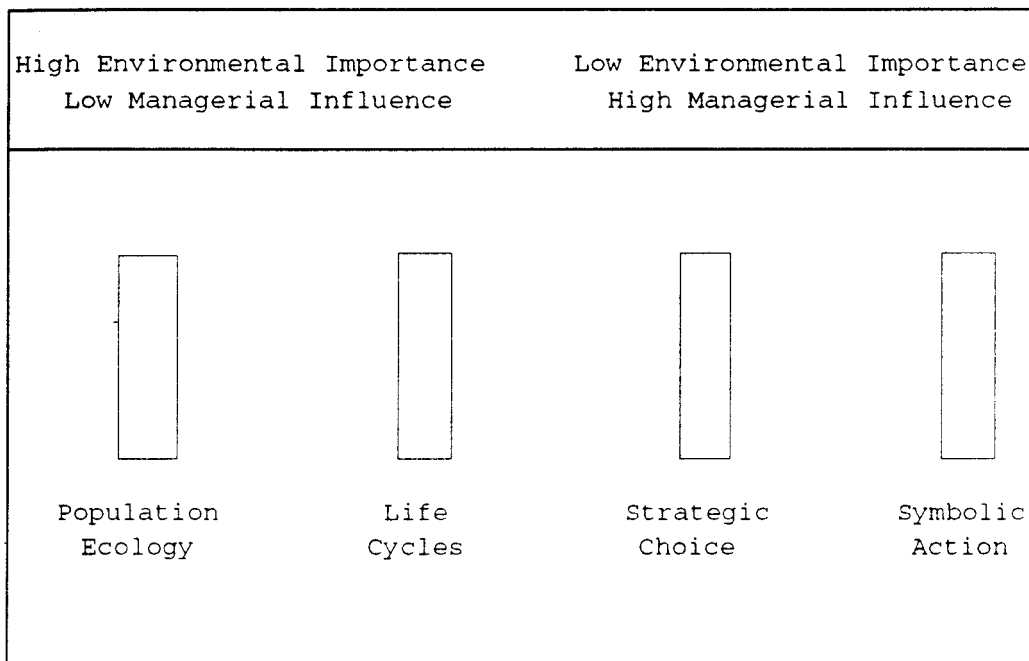


Fig. 1. Categories of approaches to organizational adaptation as conceptualized by K.S. Cameron in "Organizational Adaptation and Higher Education," Journal of Higher Education, 55 (No. 2), 122-144.

influence are neither present nor relevant. Instead, the environment selects out those organizational forms most likely to survive ("fittest" species are those forms with characteristics most in sync with the environment) while all other forms die out.

Basic to this perspective is the idea that adaptation is meaningful only if it is viewed from the population level of analysis. To illustrate, a population ecologist might view the existence in the environment of a large number of middle-class career-oriented high school grads interested in

nonresidential, low-cost educational opportunities, coupled with general public support for higher education, as important stimuli for the phenomenal growth which has taken place in recent years in the public community college and regional state university sectors. Likewise, the same environmental factors would be viewed as culprits in the decline and near demise over the last half century of the private junior college sector.

A somewhat less deterministic approach, the "life cycles" perspective, also emphasizes the notion of evolutionary change and the powerful role of the environment but allows for more managerial discretion. According to the proponents of this view (Cameron & Whetten, 1981; Quinn & Cameron, 1983), the single organization is the preferred unit of analysis. Organizations are assumed to progress through at least four sequential developmental stages: 1) creativity and entrepreneurship; 2) collectivity; 3) formalization and control, and 4) elaboration and structure (p. 525). At each stage, unique organizational features develop in order to overcome a set of problems commonly encountered by all organizations. These problems are overcome by successfully progressing on to the next life-cycle stage. Without direct managerial intervention to alter this natural evolutionary process, organizational adaptation tends to follow a predictable sequence. Two assumptions differentiating this perspective from the first

are that managers can speed up, slow down, or even abort the sequential development by their actions, and that a recycling process begins to happen after the final stage has been reached. In essence, managerial action as well as other unique organizational features help to determine which stage is returned to.

On the other end of the continuum are two categories of approaches assuming substantial managerial influence. Essentially, the proponents of these perspectives suggest that organizations are not at the mercy of an immutable environment but that they can act to influence their environment. While the literature base supporting the notion that organizational adaptation results from managerial action is quite diverse, it can be categorized into two thematic-type models. The "strategic choice" perspective subsumes a number of similar approaches, the most prominent of which include the resource-dependence model (Pfeffer & Salancik, 1978), the political-economy model (Wamsley & Zald, 1973), and the strategy-structure model (Chandler, 1962). While the advocates of this approach recognize the importance of external environmental influences and the need for a fit between these influences and the organization's structure and process, more emphasis is placed upon the availability of a variety of strategies

which enables managers to modify their environments and subsequently determine the success or failure of the adaptation process (Aldrich & Pfeffer, 1979; Child, 1972).

Examples of "strategic choice"-related research include a major study involving the tobacco industry in which Miles and Cameron (1982) found that organizations adapt very successfully to extremely turbulent and hostile environments by implementing three types of strategies in sequence: 1) domain defense strategies (designed to enhance the legitimacy of the organization and buffer it from environmental encroachment); 2) domain offense strategies (designed to expand the organization in its current areas of expertise as well as to exploit environmental weaknesses), and 3) domain creation strategies (designed to minimize risk by diversifying into safer or less turbulent areas of the environment).

A second study conducted by Miles and Snow (1978) found that organizations develop a particular orientation (a strategic competence) that results in their implementing a particular set of strategies at different times and in different ways. These strategic orientations include "prospectors" (organizations first in their field to implement new strategies -- innovators), "analyzers" (organizations typically inclined to wait for evidence regarding a strategy's success before implementing), "defenders" (organizations typically seeking stability and

slow to adapt), and "reactors" (organizations typically unable to follow through with any kind of consistent adaptive response--strategies implemented sporadically). Miles and Snow (1978) as well as other researchers (Snow & Hrebiniak, 1980) have found empirical evidence linking these orientations to effective organizational adaptation under varying environmental conditions. In general, "reacting" organizations adapt least effectively while the other types adapt more or less successfully depending upon a host of influencing factors.

A third "strategic choice"-related research study uses a historical case study approach to look at how organizations adapt over time (Miller & Friesen, 1980). While the authors conclude that "there does not appear to be a great number of common transition types" (p. 288), they were able to identify a few major "archetypes of organizational transition" commonly found among successful organizations: 1) entrepreneurial revitalization; 2) consolidation; 3) trouble shooting; 4) toward centralization, boldness, and abandon; 5) toward maturation, and 6) toward stagnation.¹

¹Definitions of the archetypes are as follows: Entrepreneurial Revitalization: moving away from traditions, conservatism, and rigidity and toward adaptiveness, innovation, and diversification; Consolidation: typically follows a period of entrepreneurial growth and reflected by a shift toward stabilization, increasing conservatism and technocratization, and decreasing innovation and proactivity; Trouble Shooting: increasing use of scanning and other analysis methods, control systems, analytical decision-making, internal communication

Miller and Friesen found that the same types of transitions kept cropping up with impressive frequency across an extremely diverse sample of organizations. Moreover, their research findings suggest that organizations are complexes of interrelated systems, that one change provokes another, and that there are natural tendencies in every organization which must be nurtured or combated in order to improve the organization's functioning.

The final organizational adaptation perspective, the "symbolic action" approach, assumes a significantly less prominent role for the external environment than the other three views. Instead, this model assumes that managers have significant influence to change the definitions of their external environment and to change the organization's behavior in response to those definitions. Advocates of this approach focus on change in symbols, interpretations, and stories as opposed to change in structure or technology. According to researchers working within this paradigm,

systems, and decreasing risk-taking, innovative and proactive behavior; Toward Centralization, Boldness, and Abandon: increasing diversification, decision-making by a "few" long-time employees, and decreasing scrutiny and analysis of decision-making; Toward Maturation: a move to a more professional management approach and reflected by increasingly decentralized, analytic, formal decision-making, and increasing routinization and systematization of functions and processes, and Toward Stagnation: typically follows a leadership change and reflected by a passive, unreflective leadership style and decreasing innovation, adaptiveness, risk-taking, and market awareness.

From: Miller, D., & Friesen, P.H. (1980). Archetypes of organizational transition. Administrative Science Quarterly, 25, 268-99.

organizational adaptation comes about through the use of a variety of strategies involving language, ritual, and symbolic behavior designed to modify organizational members' shared meanings. Weick (1976) has termed this process "enacting the external environment" and cites the following as powerful managerial tools for managing change: interpret history and current events, use rituals or ceremonies, use time or measurement, redesign physical space, and introduce doubt.

Cameron (1984) is one of the few organizational adaptation theorists to extend his work to the field of higher education. In a study of 40 higher education institutions located in the Northeastern region of the country and representing a wide range of institutional type, Cameron attempted to determine the reasons why some schools declined in enrollment, why others grew, and why some experienced little to no change in enrollment over a six-year period. Of the three groups, Cameron found that declining colleges were most distinct in their response patterns. Specifically, Cameron found that declining colleges tended to use more standardized structures and to rely more heavily on conservative practices which had worked in the past. The declining schools primarily viewed the external environment as being lean in resources and rated themselves lower on the effectiveness scale with regard to the academic and morale domains. On the other hand, the

declining schools also yielded higher effectiveness ratings with regard to internal organizational concerns such as efficiency and fiscal and budgeting matters.

Interestingly, the most significant differences among declining, improving, and stable colleges occurred in the strategic emphasis of senior administrators. For example, in declining colleges, administrators gave greater emphasis to budgeting, fiscal, and fundraising concerns and less attention to strengthening relations with external constituencies. The administrators at declining schools were more concerned with resource allocation than resource generation and were inclined to be more concerned about "doing things right." The emphases of administrators at growing institutions were just the opposite. For example, at the growing schools, considerable emphasis was placed upon interacting with external constituencies, with strengthening public relations and service functions, with resource acquisition, and with "doing the right things."

Cameron's findings are supported by several other studies (Cyert, 1980; Hedberg, Nystrom & Starbuck, 1976; Weick, 1976) which have suggested that "self-designing" characteristics (e.g., innovation, fluidity, adaptability to external factors) are the most appropriate prescriptions for organizations facing decline. In particular, Cyert (1980) proposes that the actions which flow from "self-designing" characteristics are essential for breaking the vicious cycle

in which declining organizations often find themselves (e.g., a college experiences fiscal problems due to enrollment decline and then raises tuition to counter the fiscal distress only to further accelerate the enrollment drop-off). Cyert and others conclude that the constant nurturing of innovation and flow of new ideas, expanding resources bases, and contacts with the external environment are important actions for organizations seeking to maintain and enhance their viability.

In summarizing these diverse views on organizational adaptation, Cameron (1989) recommends that the environmental turbulence facing higher education requires a new set of administrative and organizational responses. Cameron suggests that the higher education community is generally not prepared to deal with decline for three reasons: 1) the experience of most current higher education administrators is predominately growth-oriented, 2) societal values emphasize growth and expansion as indicators of effectiveness, and 3) most contemporary organizational theory assumes that growth is the preferred norm. Subsequently, when faced with decline, higher education administrators typically define their condition exclusively as a resource allocation problem and/or an efficiency problem and tend to react conservatively versus innovatively or creatively. Cameron concludes by suggesting that one's approach to dealing with conditions of growth must be

different from one's approach to dealing with decline. He warns that an orientation toward conservatism and efficiency may not be adaptive in the long run and may actually lead to ineffective performance and eventual organizational death.

Strategic Planning and Management Literature

The second body of literature for this study addresses why some colleges adapt to adversity more successfully than others. While the term strategic planning first arose in a military context dating back to ancient Greece, the concept did not come into prominence in business circles until the publication of Chandler's 1962 classic, Strategy and Structure. Strategic management was brought into the lexicon with the publication of Ansoff and Hayes' 1976 classic, From Strategic Planning to Strategic Management. This work was instrumental in encouraging a shift away from strategic planning to strategic management. Viewing the former as too limiting (e.g., the outcome of planning being confined merely to a set of plans and intentions), Ansoff and Hayes and others advocated for a broader-based, more integrative approach to managing change. According to Ansoff and Hayes, strategic management includes the operational management of the organization's competitive mode ("planning"), the entrepreneurial management of the organization's entrepreneurial mode ("adapting"), and the integrative management of both modes ("planned learning"). Chaffee (1985) echoes this thinking in her more recent

definition of the concept which describes strategic management as "a complex socio-dynamic process for strategic change which goes beyond planning to include entrepreneurial management and its integration with planning" (p. 134).

By the early 1980s, the concept of strategic management had taken such a hold in the business literature that some declared strategic planning to be a "dead idea" (e.g., Ginter & White, 1982, p. 253; Jemison, 1981, p. 637). The concept of strategy was borrowed from business by higher education; however, higher education's use of the concept has significantly lagged behind the business world. Consequently, much of the higher education literature still revolves around the notion of strategic planning--higher education has yet to catch up with the shift to strategic management.

Despite its limitations, strategic planning can provide help for colleges seeking to survive these turbulent times. According to several observers (Chaffee, 1985; Cope, 1981; Kotler & Murphy, 1981; Shirley, 1983), strategic planning offers particular benefit for liberal arts colleges seeking a better fit between organizational features and the changing external environment. In brief, strategic planning helps to raise awareness of the institution's internal and external environments, focuses the decision-making process on actions most critical to the institution's survival in the current market, and encourages futuristic scanning and

possibility thinking, resulting in critical actions taken today in anticipation of tomorrow's market needs (Chaffee, 1985).

Because the range of strategic options is narrower in higher education than in business (due in great part to the distinctive character of academic organizations), there is a significant void in the literature regarding the meaning and definition of strategy and how strategy works in a college or university setting. Higher education researchers have only recently begun empirical studies to explore the nature of adaptive strategy and its linkage to higher education performance. Moreover, Chaffee (1985) suggests that those using the term strategy, be it in business or higher education, generally believe they are all working with a uni-dimensional model, whereas her review of the literature suggests that strategy is both multidimensional and situational; indeed Chaffee's work suggests three distinguishable models of strategy which, when taken together, constitute a strategic management approach.

According to Chaffee, each model (see Table 3) describes a set of organizational functions or behaviors for which the term "strategy" has typically been applied in the literature. The first model, "linear strategy", refers to such topics as organizational goals, rational planning, program review, priority setting, master planning and

A COMPARISON OF THE ADAPTIVE AND INTERPRETIVE
MODELS OF STRATEGIC MANAGEMENT

	ADAPTIVE	INTERPRETIVE
Nature of the Organization:	Entity, Organism	Social Contract
Nature of Organizational Action:	Substantive	Symbolic
Fundamental Requirement of the Organization:	Resources	Legitimacy
Fundamental Organizational Issue:	What are we Doing?	Why are we Together?
Focus for Strategy:	Means	Participants and Potential Org. Participants
Trigger for Change in Strategy:	Resource Crisis; Change in External Demand	Credibility Crisis
Nature of Strategic Action:	Change Products/ Services; Diversify & Anticipate Markets; Create Organizational Slack	Develop Symbols/ Concepts; Improve Communication with Key Groups & Individuals
Aims of Strategic Action:	Coalign Organization with Environment; Acquire Resources	Legitimacy; Credibility Improvement

Source: E. E. Chaffee, "Successful Strategic Management in Small Private Colleges," Journal of Higher Education, 55 (No.2, 1984): 212-241.

forecasting. Essentially, this model is premised on the assumption that leaders can plan rationally as to how to best deal with their competitors to achieve organizational goals. The second model, "adaptive strategy," refers to such topics as organizational change, marketing and marketing research analysis, and assessing the environment. This model is premised on the belief that the organization and its parts change, proactively or reactively, in order to be aligned with consumer preferences. The third model, "interpretive strategy," deals with such topics as organizational saga, mission, and leadership, and is premised on the belief that organizational leaders convey meanings that are intended to motivate stakeholders in ways that favor the organization. Most of the research dealing with strategy in higher education expresses the "adaptive" model (e.g., Cope, 1981; Keller, 1983; Peterson, 1980).

Chaffee used this framework in an attempt to explain why some private colleges rebound more resiliently than others from a period of financial decline. Essentially, she looked at the behaviors and subsequent situations of two sets of private colleges experiencing severe financial difficulties in the mid-1970s. She divided the sample into two subsets: 1) those in a better position in 1982 than before decline, and 2) those not in a better position. She then compared the strategic responses of both groups and found that while the "adaptive" model was followed by most

members of both groups of colleges, the "interpretive" model was followed consistently by the more resilient colleges to a greater extent than the less resilient colleges. In brief, while the "adaptive" model appeared to assist colleges in their recovery efforts, it was not useful in accounting for faster recovery of the more resilient group. The "interpretive" model, on the other hand, seems to have facilitated a more rapid recovery. Chaffee notes that a frequent assumption made by college leaders is that actions such as changing academic programs and attending to recruitment are primary levers for improving institutional condition. However, her study reveals that while both the declining and improving colleges did these things, there were other important considerations: 1) changing academic programs in response to decline may be unnecessary and even harmful; other actions may be the key to recovery; 2) such changes may be done well but still may not lead to enduring solutions; 3) changes expressing interpretive strategy are likely to be highly effective; changes contradictory or irrelevant to interpretive strategy may be more costly than beneficial, and 4) identifying the primary levers for improving the condition of a college is a function intrinsic to the college and can only be performed with reference to that specific college; in other words, effective turn-around strategy is unique to the context of each institution.

Based on her findings, Chaffee offered several

recommendations for colleges seeking guidance on how to enhance their conditions: 1) the establishment of an interpretive strategy that guides the adaptive strategy is preferable to using only adaptive strategy; 2) the establishment of an interpretive strategy requires a strong and clear sense of organizational identity as well as a willingness to make decisions based on that identity; 3) presidents who base their actions on symbolic as well as substantive concerns will be more effective turnaround leaders than those who ignore the symbolic implications of organizational life; 4) colleges have a wide range of strategic moves that they might productively make, and 5) the specific components of effective turnaround strategy evolve from and are unique to the institution. A few studies have been conducted within higher education in recent years attempting to link organizational adaptation or strategic management approaches to specific indicators of institutional performance. Several of these will be described in the final section of this chapter. As Chaffee and others note, this is an area needing further investigation.

Successful College Management Literature

The third body of literature contributing to this research study consists of a number of works written in the 1970s and 1980s under the rubric of successful college management practices. In response to the cries of impending

doom beginning as early as 1970, a multitude of books and articles flooded the higher education landscape. In general, the literature includes analyses of the difficulties facing academe as well as suggestions for restoring and ensuring institutional vitality. Taken together, such works provide a rich source of suggestions for institutions seeking to effectively adapt to the assorted complexities of the 1980s and 1990s.

There appears to be a split in the research base between those who believe that college decline and/or growth is due primarily to external factors and those who attribute a changing condition to internal institutional factors which are within the control of management. For example, several studies have been conducted in recent years focusing on the role of external factors (or the juxtaposition of institutional factors with environmental conditions) in explaining a changing institutional condition. One study was conducted specifically to examine the impact of the external environment versus internal institutional response on enrollment growth or decline. In this study, Cohen (1983) looked at colleges which had been successful in reversing a declining enrollment trend and compared these schools to a control group of colleges which had not been successful in reversing decline. Cohen found that in general, external variables were more important than internal response strategies for explaining enrollment

growth or decline. Specifically, six of nine external variables tested were found to be statistically significant at or above a .05 level including demographic changes in the potential pool of high school graduates and changes in job market conditions in the state in which the college is located. The only internal response found to have some significance was the introduction of new or expanded academic programs and a change in the level of academic degree programs offered (i.e., going from bachelors- to masters-granting level). Cohen also found two responses to be counterproductive in dealing with enrollment decline: 1) increasing tuition and fees, and 2) lowering the standards for admissions application acceptances. Cohen concluded somewhat skeptically that the ability of a college or university to reverse enrollment decline is predominately a function of variables external to the institution, and that reversal of enrollment decline is generally not responsive to "managerial heroics."

Breneman (1983) identified several factors affecting an institution's ability to weather an increasingly turbulent environment and found that a mix of internal and external factors seemed to account for institutional resiliency:

- 1) quality and diversity of program offerings;
- 2) institutional location;
- 3) institutional image and sense of prestige vis-a-vis the competition;
- 4) institutional price vis-a-vis the competition, and
- 5) recruitment

practices and policies.

In his now classic work on decline among colleges and universities in the 1970s, Zammuto (1983) uncovered findings quite similar to Breneman. Specifically, Zammuto found that a lack of missional or institutional distinctiveness, lack of breadth in program offerings, and a limited market drawing area increase vulnerability to external conditions of decline. According to Zammuto, the more limited a college's program offerings, the less flexibility one has to adapt quickly to shifting student interests. For example, the declining interest in teacher education in the 1970s left many small liberal arts colleges with over-staffed education faculties, empty classrooms, and inadequate resources to shift gears rapidly. Zammuto also found that colleges drawing their students from national markets or broadly defined regional markets (500 plus miles away from the campus) tended to be less vulnerable to decline. Schools drawing their students primarily from within state were more susceptible to local economic and demographic trends.

In a follow-up study, Zammuto (1986) followed a group of colleges over a ten year period 1971 to 1981 in an attempt to isolate, describe, and explain the phenomenon of decline. Zammuto used enrollment and revenue trends over the ten-year period to categorize institutions into three groups: Growing, Declining, and Stable colleges. At the

conclusion of his study, Zammuto offered three observations: 1) there was a decreasing percentage of colleges experiencing both growing enrollment and growing revenue, suggesting that the universe of fiscal and human resources was becoming increasingly more scarce, 2) there was significant variation in the incidence of growth and/or decline suggesting that factors other than the size of the traditional 18-22 year old cohort has a large impact on enrollment growth, and 3) given this variety, it is impossible to specify "cookbook" management techniques which are applicable to all institutions.

Zammuto goes on to echo Cameron in cautioning that the process for managing decline is very different from that of managing growth. And, despite his reluctance to offer "cookbook" techniques, he does provide some general strategies for colleges to follow in order to most effectively position themselves to deal with declining conditions. Zammuto suggests that colleges that most effectively deal with decline do the following: 1) they focus on achieving a clear understanding of and consensus about mission; 2) they continually assess the institutional enrollment flow over time, identifying those places likely to yield the highest pay-off; 3) they continually assess the institution's environment, including the specific enrollment pool from which the institution draws students; they know the projections for and are ready to respond to demographic

changes in this pool; 4) they engage in ongoing program review and updating; 5) they engage in contingency planning, and 6) if cut-backs are necessary, they stay in control of the process by employing selective cuts and reallocating resources to support new and strategic initiatives.

More recent work (Hilpert, 1987) suggests that colleges most vulnerable to decline are small in size, under sectarian control, have a student body drawn from one state or from a narrowly defined region, have high tuition levels, and a minimal endowment base. According to Hilpert and other analysts (Dickmeyer, 1982; Dickmeyer & Hughes, 1982), the smaller the college, the higher the per student costs. For that reason, schools below a certain minimum threshold (1,000 according to Dickmeyer) are especially sensitive to even slight enrollment fluctuations.

Tempel's 1985 study, which described and analyzed the response patterns of small, less-selective liberal arts colleges to conditions of scarcity (i.e., a declining enrollment pool and decreasing financial resources) during the early 1980s, yielded results suggesting that external factors were largely responsible for decline and/or growth. In brief, Tempel found that: 1) institutional size played a significant role in one's ability to launch an effective response to scarcity, e.g., larger institutions were more able to develop aggressive program expansion and financial development activity, 2) healthy institutions became

healthier, and 3) urban institutions were found to be in better enrollment and financial health than institutions located in less densely populated areas. Of the 25 internal and external factors examined in Tempel's study, only size and location exhibited significantly strong relationships with incidences of growth and/or decline.

Several studies have also been conducted wherein internal factors are found to play a pivotal role in influencing institutional condition. For example, in a study upon which this research draws heavily, Buffington (1990) surveyed 55 Liberal Arts II colleges in order to identify which enrollment management strategies were most helpful to increasing enrollment. Of the 82 items included in Buffington's Small College Management Survey, two items were found to be in common use among all schools:

- 1) increase in direct mailings to prospectives, and
- 2) increased participation in college nights and fairs.

Among the items receiving the highest usage marks, she found several relating to philosophical attitudes reflecting a desire to maintain a strong liberal arts mission and to promote an atmosphere of care and concern on the campus. Enrollment-increasing colleges ranked innovative strategies higher than enrollment-decreasing and enrollment-maintaining colleges. Maintaining colleges ranked higher on strategies pertaining to distinctive character, mission, and concern for students. Declining colleges ranked higher on

strategies dealing directly with admissions efforts. Two strategies specifically were in statistically greater use at the increasing colleges: expanded days and times of courses and the use of outcome studies in development of programs. Declining colleges were statistically more inclined to consider enrollment concerns a priority and to have hired an enrollment consultant.

With regard to Chaffee's typology, Buffington found that interpretive strategies were used more frequently than adaptive strategies across all three groups of colleges and that enrollment-increasing colleges used adaptive strategy more frequently than decreasing or maintaining institutions. Buffington also found that some of the major contributors to enrollment change seemed to be inherent institutional characteristics such as proportion of in-state students and number of academic programs offered. She found little correlation between enrollment success and the use of specific strategies; however, those institutions engaging in multiple strategies and using them frequently seemed to achieve greater success than those institutions using them less frequently. Also, for these colleges, a campus ethos which promoted a sense of care and concern for the individual seemed to have a positive impact on enrollment. Buffington's findings clearly support the notion that administrative action can influence enrollment outcomes.

In a study of 20 colleges in 11 southern states,

Mingle and Norris (1981) found that a combination of external and internal factors accounted for declining enrollments during the 1970s. External factors facilitating decline included the declining high school graduating pool, increased competition, and changes in federal and state policy. At the same time, this study found that in many cases, the management decisions which shaped a college's academic, physical, and social climate were the key factors leading to success or failure in attracting students and in responding to external conditions. Specific strategies facilitating recovery from enrollment decline included:

- 1) attracting new revenue sources;
- 2) improving retention;
- 3) improving the quality of student life and campus climate;
- 4) tightening academic standards and attracting brighter students, and
- 5) achieving an optimal academic program mix.

Mingle and Norris concluded that, when facing decline, no single strategy should be relied upon, that a combination of cutbacks in course offerings, program terminations, staffing adjustments, and administrative consolidation should be considered, that strong leadership is a critical component to a successful response, that boldness in action is essential, that incrementalism does not work under conditions of decline, and finally, that most successful retrenchments cut deeply enough to meet the immediate and projected shortfalls but also to enable mounting new programs to enhance revenue.

In a study of small liberal arts colleges which closed their doors during the 1970s, Jonson (1984) was able to identify several reasons for the demise experienced by these schools, all of which are amenable to administrative intervention: 1) there was serious conflict and confusion among internal and external constituents regarding institutional mission and purposes; 2) the financial base was insufficient to support the mission; 3) other elements of financial distress were apparent (e.g., high ratios of student aid expenditures to revenue income, high tuition dependency, and low proportion of total educational and general budget devoted to instructional expenses), and 4) there was a failure in top management, the governing board or both (e.g., governing board tended to be non-involved with college). Jonson found that the saga of failure for each institution was unique and that, in spite of fiscal and enrollment problems, the external environment never seemed to be the determining factor prompting the closing.

In a study conducted to identify the reasons for turnaround in 56 small colleges which had experienced enrollment decline from 1979 to 1983, Parker (1987) found that a strong mission and/or clarity in mission was an asset for reversing a declining enrollment condition. Moreover, she found that absence of a strong mission or missional confusion was a frequently occurring attribute of stable and

declining colleges. While there were no statistically significant differences found on mission between the improving and stable colleges, Parker concluded that missional strength and clarity appears to be a stabilizing force and may indeed aid recovery. Likewise, the absence of missional strength may limit recovery or prolong decline. Parker's research suggests that the single most important aspect of recovery from enrollment decline and/or stability is the organization's internal environment. As Parker concludes, "It is perhaps not as much what the organization does but more what it is that predicts the final outcome" (p. 7).

With regard to internal management approaches to decline, Parker and others (Cyert, 1978; Hambrick & Schecter, 1983; Hofer, 1980; Rubin, 1979) have differentiated between strategic and operational responses. Operational responses tend to be efficiency-oriented, to focus on "doing things right," take little time to implement or reverse, require little or no group consensus to implement, and are typically within the control of individual managers (e.g., cutting departmental costs). On the other hand, strategic responses take longer to implement, require at least minimal consensus, typically impact the institution as a whole, represent unusual or radical changes for the organization, and tend to focus on "doing the right things" (e.g. a change in the competitive

stance of the institution). Taken together, the research on these two approaches suggests that a strategic approach response may be more important to recovery from decline than additional efficiency measures. In fact, Rubin (1977) found that efficiency may actually be counterproductive for organizations with little or no slack. As noted earlier, Chaffee (1982) argues that successful turnaround requires a combination of efficiency and strategic types of moves. Parker (1987) found that, on average, improving colleges employed fewer operating-type responses and more strategic-type responses than the declining colleges. Stable colleges employed fewer of either type of response than the improving and declining colleges.

A handful of studies have focused attention exclusively on the response patterns of "successful" colleges. Peck (1984), for example, studied several small colleges which met his criteria for resiliency (e.g., sound fiscal condition as measured by positive scores on several financial ratios, modest endowment, FTE less than 2,500, limited geographical drawing area, stable presidential leadership, and college recognized by experts as well-managed). From the results of his study, Peck was able to identify seven characteristics shared by all of these institutions: 1) they were dominated by a commitment to mission and purpose - activities were guided by a strong "strategic vision"; 2) they were opportunity conscious -

constantly anticipating changes and identifying opportunities to advance their mission; 3) they were highly innovative and creative; 4) their decisions about the future and change were made largely by intuition - president was actively engaged in "intelligence gathering"; 5) their administrative style was people-oriented versus structural or bureaucratically-oriented; 6) they were effectiveness-oriented more than they were efficiency-oriented, and 7) they were extremely well-run at the operational level.

Peck concluded that the driving force behind success at these schools was an entrepreneurial leadership style and that effective leadership and effective college management exist in symbiosis. For leadership to be effective, conditions in the college must be receptive to the kind of leadership provided. In brief, successful colleges tended to have presidents who focused on building the campus culture through promoting values and a common mission to which the community could eagerly and affirmatively respond.

A study yielding similar conclusions was conducted by Hamlin and Hungerford (1988). In order to determine what measures were used by colleges which had dug themselves out of financial hardship, college Presidents were asked to identify tools they found to be of greatest use in overcoming financial insolvency. Two findings were notable: 1) institutions that successfully overcame financial crisis did it by focusing on revenue-enhancing strategies (e.g.,

expanding recruitment efforts, presidential fundraising efforts, increasing gifts/grants from donors, enhancing presidential public awareness efforts, increasing tuition fees, increasing scholarship funding, and changing/adding programs to meet current market trends/needs) as opposed to decreasing expenses, and 2) the ultimate success or failure in overcoming financial crisis seemed to depend upon the vision, enthusiasm, and business skills of the president. These findings led the authors to conclude that the role of the private college president may be undergoing dramatic changes. According to Hamlin and Hungerford, the job duties of the modern day successful college president require stellar communication and marketing savvy as well as financial acumen in order to lead the institution in a manner that will inspire loyalty and dedication in the face of monumental challenges.

According to St. John (1991), the unexpected resiliency of some private liberal arts colleges during the 1980s can be explained by organizational transformation. In a study of private liberal arts colleges, St. John identified several strategies in use or emphasized at the most successful institutions: 1) honing the academic strategy (e.g., examined and strengthened academic programs, improved faculty, and strengthened mission); 2) improving overall management (e.g., enhancing budgeting and financial planning systems/processes, administrative computing resources, and

planning process); 3) implementing enrollment management system with emphasis on recruitment, retention, and financial aid policies and practices; 4) refining pricing strategies considering student aid, tuition, and room and board vis-a-vis the competition when setting prices, and 5) pursuing alternative revenue sources (e.g., new off-campus programs, renting out facilities in down times, and partnerships with local business and industry). St. John also found that these schools all had strong presidents who were well versed in contemporary higher education management approaches as well as internal and external constituents exhibiting strong consensus about institutional mission.

Perhaps especially relevant to this research is a study by Hubbard (1985) involving the hallmarks of successful church-related colleges. Based on his review of the literature, Hubbard identifies the typical characteristics of church-related colleges which manage to survive with significance: 1) clear identity and distinct educational goals and mission; 2) loyal and vocal alumni; 3) powerful religious commitments; 4) active and involved board of trustees; 5) effective leadership; 6) a "good" story and an effective means for communicating this "story", and 7) intense denominational support in dollars.

Summary

The literature reviewed in this chapter falls into three distinct clusters: 1) organizational adaptation,

2) strategic planning and management, and 3) successful college management. Taken together, the concepts and findings from the research conducted in these three areas provide a useful framework by which one might understand reasons for institutional resiliency and/or institutional demise. Table 4 provides a summary of the most important factors identified in the research as having importance for efforts toward institutional resiliency.

A review of the organizational adaptation literature reveals a split between those assuming that successful organizational adaptation is primarily due to controllable factors and those who view the environment as the more powerful and pervasive force in determining institutional outcomes. Regarding the former, research suggests that organizations manifesting "self-designing"-type characteristics (i.e., innovation, fluidity, and adaptability to external factors) are more powerfully equipped to deal with conditions of decline than organizations which respond conservatively and rigidly.

The review of the strategic planning and management literature focused primarily on Chaffee's (1984) evolving strategic management framework. Chaffee used this model in an attempt to explain why some private colleges rebounded more quickly and more fully than others from similar conditions of decline. She found that, while the "adaptive" strategy was followed by both the declining and improving

SUMMARY OF SUCCESSFUL COLLEGE MANAGEMENT RESEARCH
FINDINGS: FACTORS INFLUENCING INSTITUTIONAL RESILIENCY
AND DECLINE

Factors Influencing Resiliency	Authors
Adoption of revenue-generating management emphasis	St. John (1991); Peck (1984); Hamlin & Hungerford (1988); Mingle & Norris (1981)
Bold, entrepreneurial, visionary presidential leadership style	St. John (1991); Peck (1984); Hamlin & Hungerford (1988); Mingle & Norris (1981)
Strengthening academic standards	Mingle & Norris (1981)
Addition or expansion in academic program offerings	Cohen (1983); Buffington (1990)
Employment of a "strategic" management approach (e.g., market-driven, opportunity-conscious, innovative, creative, selective pruning coupled with "high potential" expansion)	Parker (1987); Cyert (1978); Cameron (1984); Chaffee (1984); Peck (1984); Hambrick & Schecter (1983)
Change in level of degree programs offered	Cohen (1983)
Strengthening quality and diversity of academic programs	St. John (1991); Breneman (1983); Zammuto (1983)
Competitive tuition pricing	St. John (1991); Peck (1984); Parker (1987); Breneman (1983)
Institutional size (<1,000)	Hilpert (1987); Tempel (1985) Carnegie (1975)
Strong image and sense of prestige	Breneman (1983); Zammuto (1983)
Wide consensus and sense of clarity about institutional mission	St. John (1991); Peck (1984); Parker (1987); Breneman (1983)
Primarily national student recruitment pool	Breneman (1983); Zammuto (1983)

Factors Influencing Resiliency	Authors
Urban location	Breneman (1983); Tempel (1985) Mingle & Norris (1981)
Primarily in-state student recruitment pool	Buffington (1990)
Caring and supportive campus ethos	Buffington (1990); Mingle & Norris (1981)
Improved student retention	Mingle & Norris (1981); Tempel (1985)
Adoption of a comprehensive enrollment management approach	St. John (1991)
Well-run organization (operationally)	Peck (1984); St. John (1991)
Changed missions	Carnegie (1975); Tempel (1985); King (1981)
Healthy financial condition	Tempel (1985); Carnegie (1975)
Strengthening of student life programs	Tempel (1985); Mingle & Norris (1981)
Broadened recruitment focus	Tempel (1985); Carnegie (1975)
Increased fundraising activity	Tempel (1985); King (1981); Mingle & Norris (1981)
Increased recruitment activity	Tempel (1985); King (1981); Mingle & Norris (1981)
Implemented selective cut-backs	Carnegie (1975); King (1981); Mingle & Norris (1981)

Factors Influencing Decline	Authors
Lack of breadth in program offerings	Zammuto (1983); Breneman (1983)
Limited student recruitment market drawing area (i.e., within state)	Hilpert (1987)
Institutional size (>1,000)	Hilpert (1987); Tempel (1985)
Minimal endowment	Jonson (1984)
Declining high school graduating pool	Mingle & Norris (1981)
Increased competition	Mingle & Norris (1981)
Federal and state policy changes	Mingle & Norris (1981)
Insufficient financial base	Jonson (1984)
Presence of multiple financial distress indicators (e.g., expenses consistently outpacing revenues; high tuition dependency, high ratios of student aid as % of revenue income)	Jonson (1984)
Failure in top management/leadership	Jonson (1984)
Over-emphasis on efficiency measures (i.e., conserving resources)	Rubin (1977)
Non-competitive tuition pricing	Cohen (1983); Hilpert (1987)
Weakened admissions standards	Cohen (1983); Breneman (1983)
Lack of missional or institutional distinctiveness	Jonson (1984); Parker (1987); Zammuto (1983)
Lack of clarity about mission	Parker (1987)

colleges, the "interpretive" strategy was followed consistently by the more resilient colleges to a greater extent than the less resilient colleges. Chaffee concludes by suggesting that the "interpretive" strategy facilitates a more rapid recovery than the "adaptive" strategy. The usefulness of "interpretive" versus "adaptive" strategy" is tested in this study with the Christian liberal arts college population.

The third body of literature reviewed in this chapter consists of a wide variety of research grouped under the rubric of successful college management practices. As with the organizational adaptation literature, there appeared to be somewhat of a split between those who viewed the environment and other external factors as the most powerful force in affecting institutional outcomes and those who viewed these outcomes as being amenable to institutional behavior and/or organizational action. The literature revealed several environmental and/or external factors which could potentially impact adversity or efforts toward success. These include: location, demographic changes in enrollment pool, job market conditions, competitive stance, federal and state policy changes, and the breadth of the market drawing area (regional and in-state versus national).

A large number of internal factors which could possibly facilitate or impede efforts toward success were also identified in the research. The most interesting of these

include: quality and diversity of program offerings, institutional image, institutional tuition and pricing policies and levels, admissions practices and policies, missional and/or institutional distinctiveness, missional clarity and strength, institutional size, endowment base, changes in academic programs and/or the level of degree offered, presidential leadership, financial base, and the maintenance of a strategic versus an operational approach. Perhaps the most striking finding from the review of this third literature base was the consensus around the kinds of characteristics found in those colleges which had achieved the most favorable outcomes. Recounted by several studies, these characteristics include: strong commitment to mission and purposes, innovative and creative ethos, opportunity-conscious, effectiveness-oriented, and revenue-generating focus, and exceptional presidential leadership.

Nearly all of the internal and external factors mentioned above were included as items in the Strategic Management Survey developed for this study. This was done in order to test the usefulness of these factors for explaining the decline or resiliency of Christian liberal arts colleges. The next chapter provides an overview of the methodology used in this study including a description of this survey instrument.

CHAPTER 3
METHODOLOGY

The literature reviewed in the first two chapters suggests that small, private, less-selective liberal arts colleges are especially vulnerable to the pressures facing all of higher education. (Nevertheless, research also reveals several such colleges which appear to have successfully weathered to date what many are describing as an adverse environment.) The purpose of this study is to look in-depth at one slice of this category of institutions, small, Christian liberal arts colleges, to see 1) how this sector has held up over the decade 1981 to 1991 in the face of increasing turbulence and stress, 2) to see what specific management strategies the Christian liberal arts colleges have employed from 1981 to 1991, and 3) to see if the use of specific management strategies has an effect on institutional performance at these schools. It is hoped that this research will help explain the apparent incongruity between the predictions of decline for the majority and the successful experiences of a sample of such colleges.

It is expected that there will be noticeable differences in institutional characteristics as well as in the strategies employed by colleges that are improving, colleges that are declining, and colleges that are experiencing relatively little to no change in institutional condition. This study is an attempt to identify those differences. As noted in Chapter II, Chaffee (1984) suggests that a combination of adaptive and interpretive strategy is optimal for schools facing a declining condition. This study attempts to test this hypothesis particularly as it relates to the Christian liberal arts college sector.

This chapter begins with a description of the population examined in this study. The theoretical framework for the study is then reviewed followed by a description of how the various institutional condition measures were operationalized and computed. The chapter concludes with a discussion of data collection and analysis procedures.

Population

Institutions selected for this study were the 82 North-American members of the Christian College Coalition which are located in the United States. Given the small number of colleges belonging to the Coalition, all member institutions were included in the sample.

Theoretical Framework

The purpose of this exploratory study was threefold:

1) to gain an understanding of the current condition of the Christian college sector, 2) to gain an understanding of how the condition of the Christian college sector has changed over the ten year period 1981-1991, and 3) to gain an understanding of why some Christian colleges but not others have been able to achieve and/or maintain resiliency in the midst of a changing economic and political environment. For this study, the term "condition" was defined using several variables (described below) and refers to the overall health and well-being of the sector. The author assumed that no single statistic or variable in and of itself could fully capture the many complex factors which influence institutional performance on a daily basis. While the primary focus was on financial health, other variables which impact the overall viability of particular institutions were considered as well (e.g., enrollment headcount, composition of enrollment). Taken together, these variables were used to assess the current condition of the Christian College sector as well as to describe how the sector has changed over the past decade.

This researcher agrees with Jenny and Minter (in Collier, 1982) that financial condition is a concept that can only be measured on an institution-by-institution basis.

Assessment of the condition of a particular sector, suggest these authors, can be made only by aggregating the individual assessment of financial conditions for the various institutions that comprise that sector. Thus, measurement of the condition of the Christian College Coalition sector in this study was built upon the individual assessments of each of the Coalition colleges using the variables described below.

This study draws in part from a now classic project conducted in the early 1980s by Dickmeyer and Hughes (1982). Specifically, these financial researchers developed a multi-dimensional financial self-assessment framework for use in assessing the financial health of colleges and universities. Dickmeyer and Hughes' framework emerged in a field project involving eight liberal arts colleges. In brief, these colleges were used to identify a series of indicators which, when considered together, proved to be the most powerful measures for assessing the overall condition of these colleges. From this process, a framework emerged which put the measurement of financial resources at the core of the assessment. The statistics chosen for this framework were selected to cover a broad spectrum of the college's activities to give a picture of the college's financial well-being. From their study, these authors define as financially healthy those colleges which "have the financial flexibility to respond to changes in the political, social,

and economic environment in which they operate" (p.20).

The major premise of Dickmeyer and Hughes' framework is that a college's overall condition can be characterized meaningfully by measuring available resources, trends in these resources, and the institution's special needs for these resources. The focus is on financial resources largely because of the authors' belief (based on their experience with the test colleges) that internal and external decisions and events affect these resources first. Since the amount and condition of an institution's resources are determined by both internal and external factors, changes in these resources are symptoms of those factors that cause institutional decline or improvement. Accumulated financial assets is of particular importance to independent colleges such as the Christian College Coalition schools. A sufficient financial resource base provides a college with the ability to withstand environmental changes, and the flexibility to make changes at opportune times in response to these changes as well as the luxury to experiment with mission or program "without concern that increased costs will curtail the entire operation" (Dickmeyer & Hughes, 1982, p. 21).

Three major concepts provide the basis for the financial self-assessment framework: 1) highly volatile income sources (e.g., restricted revenues) require a college to buffer itself with greater financial resources -- the

more dependent a college is on uncertain funds, the greater its need for more financial resources, 2) greater financial resources are necessary for colleges with larger proportions of their budgets tied up with fixed expenses (e.g., debt service, tenured faculty salaries) -- such schools must respond to an inflexible expense side by securing additional financial resources, and 3) variables other than financial resources (e.g., number and quality of faculty, students, program offerings, and condition of buildings) may also impact a college's financial condition and should be considered in an overall assessment of financial health. These concepts provide the basis for the statistics which comprise Dickmeyer and Hughes' framework.

Since the late 1970s, a considerable literature has developed supporting the use of the kinds of measures identified in Dickmeyer and Hughes' study as worthwhile tools for measuring fiscal condition (Minter, 1978; Minter, Hughes, Robinson, Turk, Buchanan, & Prager, 1982; Minter, Prager, Hughes, Robinson, & Turk, 1982). According to the authors of one study, "Financial ratios, in particular, offer a capsulized view of key conditions affecting institutional activities" (Minter, Hughes, et al., 1982, p. 25). While financial ratios have been commonly used in the business world for several decades, their use in higher education has developed at a much slower pace. The National Association of College and University Business Officers

(NACUBO), John Minter Associates, and Peat Marwick were among the first to pioneer the use of financial ratios in higher education, primarily as a means for early detection of financial distress (Prinvale, 1992; Millett, 1976). Although financial measures do not stand alone as sole indicators of institutional performance, Bowen (1980) reminds managers of their important usefulness in the analysis of institutional success: "The budgets and expenditures of a college or university reveal a great deal about its activities, achievements, and vicissitudes" (p. 137). Other important benefits of the use of financial ratios in assessing institutional condition include: 1) ratios control for the effect of anomalies when used to assess change over a period of years, and 2) ratios control for differences in institutional size across institution and across time (Prinvale, 1992).

At the same time, there are few, if any, standards available for assessing the merit of a particular financial ratio. As Chabotar (1989) recommends, evaluation of any financial measure must take place within the context of each institution's internal and external environment. To illustrate further, consider the commonly used ratio of financial viability (capital fund balances divided by current fund expenditures and mandatory transfers). In 1971, the ratio for liberal arts colleges was .50 but, in 1974, it dropped to .32 -- which is where it remained for

the remainder of the decade. (The literature reviewed for this study did not uncover any additional or more recently published ratio benchmarks.) If a researcher examined only the 1971 figures, expectations for future ratios would be skewed (Anderson, 1983). According to the American Council on Education (1978), "The ultimate goal...is to develop indicators which allow their users to distinguish those institutions which are in a strong financial condition from those which are in a weak financial condition" (p. 14).

Considering the above, it is hardly surprising that the definition of fiscal health eludes precision. According to researchers such as Prinvale (1992), "The selection of measures used to assess fiscal condition for an institution or a group of institutions is, ultimately, a subjective judgement" (p. 57). The specific variables which were selected to assess the financial condition of the colleges in this study are ratios which serve as warning signs of potential problems or fiscal vulnerability: financial strength (ratio 1), financial independence (ratio 2), tuition dependence (ratio 3), liquidity (ratio 4), annual operating performance (ratio 5), and market share (ratio 6) (Dickmeyer and Hughes, 1982; Minter, 1978; Minter and Bowen, 1977; Minter, 1978; Minter, Hughes, Robinson, Turk, Buchanan, & Prager, 1982; Minter, Prager, Hughes, Robinson, & Turk, 1982, & Prinvale, 1992. In this study, the six sets

of ratios were calculated for each year of the period from 1981 to 1991.

Operationalization of the Financial Condition Measures

The financial data for this study were obtained from the Higher Education General Information Survey (HEGIS), and the Integrated Postsecondary Education Data System Survey (IPEDS), conducted by the Department of Education's National Center for Education Statistics (NCES), and accessed through the NSF CASPAR System. From Fiscal Year (FY) 1966 (HEGIS I) through FY 1986 (HEGIS XXI), these data are derived from the annual Higher Education General Information Survey (HEGIS). Beginning in FY 1987 (IPEDS I), these data are derived from the new Integrated Postsecondary Education Data System Survey (IPEDS). FY 1987 is defined as the institutional fiscal year which ends in 1987. Data are current as of January 1991.

The ratios used to assess financial condition are as follows:

Ratio 1. The Ratio of Total Assets to Total Liabilities

The first ratio provides a measure of an institution's overall financial strength. According to Prinvale (1992), "A high ratio indicates an institution has obtained a sufficient financial cushion to cover its long-term debts as well as to meet emergencies. A healthy endowment strengthens the asset side of the balance sheet, thus increasing this ratio" (p. 58). In fact, because of the

importance of endowment for revenue generation, Standard and Poor (1990) takes into account both the endowment's absolute and relative size and its growth potential when assessing a college or university's financial flexibility. A positive percentage change in the ratio is the desired direction of change. Debt rating agencies typically stipulate that as long as debt is outstanding, available assets must be at least twice as great as general liabilities, making 2:1 the minimum threshold for this ratio (Rothschild, Unterberg, & Towbin, 1984).

Ratio 2. The Ratio of Endowment Income (Yield) to Total Educational and General Revenues

This ratio measures an institution's financial self-sufficiency. According to Massey (1990), "For many colleges, its endowment is the difference between survival and true vitality" (p. 103). All things being equal, a positive percentage change in the ratio is the desired direction of change. At the same time, it is important to look beyond just the directional change for this ratio. For instance, it is possible that this ratio could change because of an unplanned (and undesirable) decrease in revenues. A rising ratio of endowment income might also suggest that more endowment funds are available to invest, that improved investment performance has been achieved, or that new investment policies have been effective. In general, this ratio provides an important indicator over

time of an institution's ability to attract resources and the ability of an institution's external environment to provide this support (Dickmeyer & Hughes, 1982).

Ratio 3. The Ratio of Tuition and Fee Revenues to Total Educational and General Revenues

The institution's reliance on tuition and fees is a particularly important indicator of financial condition for private colleges. Prinvale (1992) suggests that "It is reasonable that the ratio of tuition and fee revenues to general educational revenues should be as low as possible and, when looking at trends, should be declining over time, as long as the decline is not due to unplanned enrollment decreases, inelasticity in tuition pricing, or inability to control the percentage of students on financial aid" (p. 59). However, if this ratio declines it should not be due to an influx of "soft" revenues (revenues whose attainment is beyond institutional control). Essentially, trends in this ratio indicate the institution's ability to continue drawing support from students (Dickmeyer & Hughes, 1982).

Ratio 4. The Ratio of Unrestricted Funds Balances to Total Expenditures and Mandatory Transfers

This ratio is a general measure of an "institution's liquidity" (Prinvale, 1992) and provides an indication of how much money is immediately available for meeting unexpected demands. In other words, this ratio provides a sense of how much "cushion" a college has for meeting its

obligations. A declining ratio is a warning that expenses may be outpacing revenues (Rothschild, Unterberg, & Towbin, 1984). As with ratios 1 and 2, a positive percentage change in the ratio is the desired direction of change.

Ratio 5. The Ratio of Net Revenues to Total Revenues

This ratio indicates whether total current operations for a given year resulted in a surplus or a deficit. This ratio is one of the primary indicators of the underlying causes of an institution's financial condition and provides an answer to the question, Did the institution live within its means during the year being reported on? A positive ratio indicates a surplus for the year reported on. In general, the larger the surplus, the stronger the institution's financial condition as a result of the year's operation. A negative ratio indicates a deficit for the year. A pattern of large deficits occurring in successive years is a strong warning signal that the institution is in a seriously weakened financial condition. As with ratios 1, 2, and 4, a positive percentage change in the ratio is the desired direction of change.

Ratio 6. Ratio of Opening Fall FTE Enrollment in 1991 to Opening Fall FTE Enrollment in 1981

This ratio is important because a primary purpose for colleges and universities is to serve students. Total enrollment is a crucial element in assessing the financial viability of most colleges and universities. Creditors

often focus on data such as total enrollment as well as enrollment components (i.e., full-time, part-time, resident, non-resident) in addition to looking at trends and patterns in enrollment over time (Rothschild, Unterberg, & Towbin, 1984). This ratio is particularly important for small, private colleges which derive a substantial share of their revenue base from tuition and fees. A positive or stable percentage change is the desired direction for this ratio unless the institution has intentionally capped its enrollments or made a decision to reduce its enrollments.

Computation of the Ratios

The following section outlines the specific variables which comprise each ratio described above. For each ratio, the percentage of change over time was calculated. In order to compensate for inflation, figures were put in 1991 dollars, using the Consumer Price Index for each year.

Ratio 1: The Ratio of Financial Assets to Total Liabilities.

1. Financial Assets -- Sum of the following variables:

A. Total Endowment - Ending market value

Includes market value of gross investments of endowment, term endowment, and quasi-endowment (funds functioning as endowment) at the end of the fiscal year. If market value on some investments was not available, included whatever value was assigned by each institution in reporting market values in the annual financial report.

B. Current Funds Balances - Ending

This variable represents the fund balance at the end of the fiscal year, after all additions, deductions, and transfers. The ending fund balance was computed as the difference between the beginning fund balance and the net increase or decrease.

2. Total liabilities (Balance Owed at End of Year)

The amount shown in the liabilities section of the plant fund balance sheet for each institution at the end of the fiscal year. This included liability against auxiliary enterprise facilities as well as educational and general facilities. Examples of auxiliary enterprise facilities are those used for operation of housing, food service, book stores, and other units which are classified as auxiliary enterprises.

Ratio 2: The Ratio of Endowment Income to Total Educational and General Revenues

1. Endowment Income

Includes the unrestricted income of endowment and similar funds, the restricted income of endowment and similar funds to the extent expended for current operating purposes, and income from funds held in trust by others under irrevocable trusts. For FY 1981-1987, the variable was defined as the sum of restricted endowment income and unrestricted endowment income.

2. Total Current Educational and General Revenues

Composed of all educational and general revenues including: tuition and fees; federal government grants, contracts, and appropriations; state and local governmental grants, contracts, and appropriations; private gifts, grants and contracts; endowment income; sales and services of educational activities, and other items or revenues not covered elsewhere.

Ratio 3: The Ratio of Tuition and Fee Revenues to Total Educational and General Revenues

1. Student Tuition and Fee Revenues

All tuition and fees assessed against students for current operating purposes.

2. Total Educational and General Revenues

See ratio 2 above.

Ratio 4: The Ratio of Unrestricted Funds Balances to Total Expenditures and Mandatory Transfers.

1. Unrestricted Current Funds Balances - Ending

This variable represents the fund balance at the end of the fiscal year, after all additions, deductions, and transfers. The ending fund balance was computed as the difference between the beginning fund balance and the net increase/decrease.

2. Total Expenditures and Mandatory Transfers

This variable is composed of all expenditures and mandatory transfers as reported on each institution's Statement of Current Funds Revenues, Expenditures, and Other Changes. Both unrestricted and restricted amounts are included, whereas nonmandatory transfers are excluded.

Ratio 5: The Ratio of Net Revenue to Total Revenue.

1. Net Revenues

This variable is composed of all current funds (unrestricted and restricted) revenues less all current funds expenditures and mandatory transfers.

2. Total Revenues

This variable is composed of all current funds revenues (including both unrestricted and restricted funds).

Ratio 6: The Ratio of Opening Fall FTE Enrollment in 1991 to Opening Fall FTE Enrollment in 1981.

1. Opening Fall FTE Enrollment in 1991

This variable refers to the "full-time equivalent" enrollment at each institution as reported for Fall 1991. FTE enrollment equals the sum of the total number of full-time students plus one-third of the total number of part-time students.

2. Opening Fall FTE Enrollment in 1981

This variable refers to the "full-time equivalent" enrollment at each institution as reported for Fall 1981. FTE enrollment equals the sum of the total number of full-time students plus one-third of the total number of part-time students.

The ratios described above are the measures which were used to assess the financial condition of each college in this study. An index rating was assigned for each college, based upon the institution's performance over the ten year period from 1981-1991, on each of these six ratios. This index rating was the initial basis upon which colleges were categorized for further statistical treatment. Other factors considered in categorizing institutions included the number of ratios for which improvement is noted, performance on the enrollment and fund balance ratios (two measures identified in the research as having particular importance to institutional viability at small colleges), and institutional size.

In addition, a number of other ratios and measures were examined and described in order to obtain a more

comprehensive reading on the current condition of the Christian college sector. These measures are briefly described below:

Ratio 7. Ratio of Private Gifts, Grants, and Contracts to Total Educational and General Expenditures and Mandatory Transfers

This ratio is a particularly important measure for private colleges. This measure provides an indication of an institution's ability to attract external resources as well as whether private giving is keeping pace with expenditures.

Ratio 8. Ratio of Instruction to Total Educational and General Revenues.

This ratio provides an indication of the priority an institution places on its instructional programs. The amount of resources available to support the academic function of the institution can, over time, significantly impact the viability of an institution (e.g., cutting academic programs, faculty, and academic support services can potentially lead to a serious weakening of academic quality which in turn can impact an institution's ability to attract students).

Ratio 9. Ratio of Scholarships and Fellowships to Total Educational and General Revenues.

This ratio provides an indirect measure of the extent to which tuition is being discounted to support the institution's financial aid programs. Increasing trends in

this ratio over time might signal impending fiscal trouble for a college or university unless such trends are offset by concurrent revenues increases from sources other than tuition and fees.

Market Demand Measures

Several additional measures are used to provide an indication of the market demand for the educational services provided by each institution:

Enrollment composition. This measure includes the percentage of the undergraduate, graduate, and total headcount enrollment that is made up of first-year, part-time, commuting, minority, foreign, and out-of-state students. Trends and patterns in enrollment composition can provide important information about changes in the institution's ability to attract student resources. For example, is a declining traditional undergraduate student enrollment offset by a rising graduate or part-time student enrollment? If so, what do these trends mean for the institution's financial health? How is enrollment changing over time and what are the implications? These are just a few of the questions answered by an examination of enrollment composition measures.

Ratio of new student applications to acceptances. This measure provides a measure of the proportion of students who apply to the institution who are admitted. The higher the acceptance rate, the greater the risk that a change in the

pool of students will cause a decline in enrollments and tuition revenue.

Ratio of new student matriculants to completed applications. This measure provides an indication of an institution's ability to convert matriculants from its applicant pool. Declining trends in this ratio indicate that the institution is losing strength in its ability to draw student resources.

This study assumed that all of the Christian Colleges have been affected by the macro-environmental changes of the past decade and that all of these colleges have had to respond in some measure to such turbulence.

Research Objectives

As noted in Chapter I, the primary research objectives addressed in the study are: 1) to ascertain the current condition of the Christian college sector and how this condition has changed during the period from 1981 to 1991, 2) to identify the specific management strategies or tools used by the Christian colleges during this same period, and 3) to determine whether there is a relationship between the use of specific management strategies and changes in institutional condition.

In addressing these objectives, the researcher:

- 1) Examined individual institutional and aggregate enrollment and financial measures (outlined above) to describe the current condition of the Christian college sector as well to describe how this condition has changed during the period 1981 to 1991,
- 2) Identified the specific management strategies used by Christian colleges during this same period, and
- 3) Analyzed the relationship between the nature and frequency of responses and changes in institutional condition.

The various institutional strategies identified in this study were described and analyzed using Chaffee's (1984) strategic management typology which includes three levels of strategy: linear, adaptive, and interpretive. Because of the overlap between the first two types, only the adaptive and interpretive models were used for categorization and analysis.

Data Collection

There were two primary methods of data collection for this study. First, the 1981 to 1991 editions of the College Board Handbook were utilized to obtain the relevant institutional characteristics and enrollment data for each of the colleges in this study. As noted earlier, the Quantum Research Corporation's CASPAR database was accessed in order to obtain the financial ratio data described above. Second, a survey was developed (as adapted with the

permission of the authors from Tempel's 1985 and Buffington's 1991 dissertation surveys) which was administered to the presidents of all 82 Christian College Coalition schools (a copy of the survey can be found in Appendix 2). The survey was designed in such a way that presidents could choose to circulate some of the sections to other administrators for completion. The survey solicited from each institution the following information: 1) type and frequency of management strategies used during the period from 1981 to 1991, and 2) selected institutional data (e.g., enrollment goals, tenure of chief administrative officers). The survey included a cover letter urging involvement from the Vice President for Research at the Christian College Coalition headquarters, a personal letter from the researcher, and a pre-addressed stamped return envelope (Appendix 3).

One week prior to mailing the survey, the researcher called the President's Office at each institution to personally request participation in the project. A postcard reminder was mailed to each president two weeks after the first mailing (Appendix 4), with a second round of surveys, cover letter, and return envelope sent to non-responding institutions one month after the original mailing (Appendix 5).

Of the original 82 institutions included in the sample, one institution was omitted due to incomplete data for this

college on the CASPAR database. Of the 81 institutions receiving the first mailing, 40 responded (49% of the sample) with 25 schools responding to the second survey mailing (for a total response rate of 65 schools or 80% of the sample population).

The survey was comprised of 220 items representing a wide range of management areas including those areas identified in the research as having the most importance for institutional viability: enrollment management, financial development and management, mission and ethos, programmatic development, and leadership and overall strategic direction.

Because of the large volume of potential strategies, Chaffee's typology of strategic management was used as an organizing and limiting mechanism for selecting items to include in the Strategic Management Survey. In accordance with Chaffee's findings (1984, 1985), the researcher expected to find identifiable differences in the nature and frequency of strategies used by colleges exhibiting the strongest trend performance over the ten year period and those exhibiting more moderate or weak performance during the same period.

The survey instrument was pilot tested with a small group of college administrators at small, private liberal arts colleges in the Chicago area. Individuals in the pilot study were selected on the basis of their involvement with relevant college management functions (e.g., recruitment,

program development, financial management, etc.) and knowledge of the subject matter. These administrators were asked to complete the survey and to provide feedback on content as well as on clarity and ease of direction. Based on this feedback, several items were reworded, the directions were rewritten, and a few items were added to the survey. Given that the survey is adapted from the two earlier studies in the same field (Buffington and Tempel), and given that the researchers involved with both of these studies completed extensive pilot testing, a certain level of validity and reliability was assumed to have already been achieved.

Analytic Procedures

For analysis purposes, each college was grouped into one of three institutional clusters according to "net" changes on ratios 1, 2, 3, 4, 5, and 6 over the ten year period. (Changes in each of the ten years are summed with the resulting total expressed as a percentage of the base year amount. The resulting amount is the percentage of increase or decrease over the ten years compared to the base year.) These trend data are discussed in terms of "net" changes in order to avoid the problems associated with looking only at starting and ending years for a certain period (e.g., an institution may have nine years of strong performance and then experience a "down" year). An index rating was then assigned to each college, based upon each

college's performance on these six ratios over the period from 1981-1991. Each college was next grouped into one of three categories according to its index rating: 1) colleges demonstrating significant **increasing** enrollment and financial performance; 2) colleges demonstrating **moderate increasing or decreasing or stable** enrollment and financial performance, and 3) colleges demonstrating **decreasing** enrollment and financial performance. As noted above, other relevant factors were also considered when categorizing the institutions.

Institutional enrollment goals were also taken into account when categorizing institutions. For example, an institution with the goal of decreasing or stabilizing enrollment was not penalized for a declining or stable enrollment performance. While no institution noted an intent to decrease enrollments during the 1980s, a handful did note their intent to maintain enrollment at current levels during the decade.

Specific procedures for analysis were related to the research objectives:

- 1) What is the current condition of the Christian college sector and how has this condition changed over the past ten years?

Descriptive statistics were used to describe the current status of the Christian college sector (institutional enrollment and financial measures were

calculated in the aggregate to provide an overall profile of the sector's condition) as well as to describe how the sector has changed over the past decade.

2) What specific strategies or tools are the Christian colleges using or have they used during the past decade in response to these pressures?

A review of the literature base was conducted to identify the most common successful college management and revitalization strategies. In particular, three previous studies, Buffington's 1990 dissertation Small Liberal Arts Colleges: Strategies Which Lead to Enrollment Success, Tempel's 1985 dissertation Organizational Response to Scarcity in Small Colleges: The Impact of Leader Behavior and Faculty Influence in Decision Making, and Chaffee's 1984 study After Decline, What? Survival Strategies at Eight Private Colleges, provided the framework for the development of the survey instrument (described above) which was used to assess the actual use of such strategies at the Christian college coalition institutions. The survey was further refined through a local pilot test administration.

Based on survey responses, descriptive statistics (means, standard deviations) were used to determine a rate of usage for the sector as a whole for the 220 strategies listed in the survey. Means were calculated for the aggregate, as well as for the three institutional clusters, grouped by strongest, moderate, and weakest trend

performance ratings (as described above). Strategies were ranked from high to low (those achieving a mean score closest to 5, to a very great extent; to 1, not at all) and ANOVAS were performed to determine significant differences among the three groups (Improving, Stable, and Declining) for each of the strategies. This analysis was performed in order to determine if there were differences in the kind or frequency of strategies used between colleges with strong financial performance over the ten year period and those demonstrating weaker performance.

3) What relationships can be determined between the use of these strategies and changes in institutional condition?

Two different statistical tests were used to answer this question. Because of the large number of independent variables in this study, zero-order correlation analyses were first conducted on the data in order to select those strategies exhibiting the strongest degree of relationship with the dependent variables. These strategies were then used as independent variables in a stepwise regression analysis. The dependent variables used in both the correlation and regression analyses included: percent of FTE enrollment change from 1981 to 1991, percent of total institutional revenue change from 1981 to 1991, and the weighted index (the index as calculated above with a doubling of the points assigned to the enrollment and funds balance ratios). The multiple regression statistic was used

to determine the predicted dependence of enrollment or revenue change or the weighted index value on the college's use of a specific strategy or group of strategies.

To ensure that differences in enrollment or revenue change were actually due to the use of specific strategies or groups of strategies, the colleges were also compared using means and multiple regression analysis in 1991 on several key characteristics: 1) PROGRAM: number of academic programs offered (a college offering a disproportionately greater number of programs than other colleges is likely to be at an advantage in terms of its ability to draw student and other resources); 2) STATUS: proportion of full-time to part-time students; 3) HOME: proportion of resident to non-resident students; 4) STATE: proportion of in-state to out-of-state students (A college may have an increasing overall enrollment while, at the same time, may be experiencing changes in enrollment composition, i.e., decreasing full-time student enrollments with increasing part-time student enrollments, changes which can be misleading since part-time students typically bring a lesser amount of revenue into the institution than traditional full-time students.); 5) FACULTY: proportion of full-time to part-time faculty (a college which is heavily reliant on part-time faculty is likely to have lower fixed costs and, therefore, greater flexibility in terms of its ability to make major structural and program changes); 6) ADMIT: frequency of certain

admissions criteria (a college might, over time, lower its admissions standards, and thereby increase student enrollments), and 7) RATIO291: endowment as percentage of educational and general expenditures (a college with a disproportionately greater endowment than other colleges has an advantage in terms of its ability to weather turbulent conditions -- it has resources upon which it can draw to meet unforeseen expenses). These characteristics were used in the regression equation as independent variables for statistical control.

After regression statistics were obtained for individual survey items, the 220 strategic items were regrouped into 10 new variables (following Chaffee's typology). These new variables, which were used as independent variables in the regression equation, are as follows:

Adaptive Strategy Variables:

1. Changes made to attract or retain students;
2. Strategies reflecting increased receptiveness to change;
3. Strategies reflecting efforts to conserve operating funds or to strengthen budgeting systems;
4. Planning and research strategies, and
5. Changes made in products and/or services.

Interpretive Strategy Variables:

1. Focus for academic program;
2. Strategies reflecting initiatives with external constituencies;
3. Strategies to improve and involve trustees;
4. Strategies to bolster communication and cooperation or reflecting good communication and cooperation, and
5. Strategies to strengthen mission or reflecting clarity in mission.

Forced entry regression analysis was conducted on these regrouped variables to determine the dependence of enrollment and revenue change and the weighted index value on the use of these thematic strategies. This was done to test Chaffee's assertions that a combination of adaptive and interpretive strategy is most important to institutional viability. The forced entry regression statistic provided a means for determining whether the strategic items were ordered with regard to their usefulness.

Finally, responses to two open-ended questions asking respondents for their general impressions regarding the reasons for change at their institutions were treated in the following manner: 1) a catalogue of observable themes was devised, 2) the data were clustered and reduced to a more manageable size based on an analysis of frequently recurring themes, and 3) thematic responses were compared with the results from the quantitative analysis described above.

Summary

This chapter reviewed the methodology employed in this study. The principal research questions were identified and the analytic procedures used to examine and answer these questions were described. Chapter IV presents the results of the analysis. Chapter V provides a synthesis of the most salient findings of the study along with possible implications for institutional practice and recommendations for further research in this area.

CHAPTER 4

RESULTS AND ANALYSIS

This chapter presents an overview of the responding institutions and the analysis for this research. There were two primary methods of data collection: 1) use of the 1981 to 1991 editions of the College Board Handbook and use of the Quantum Research Corporation's CASPAR database for obtaining enrollment and financial data for each institution, and 2) use of the strategic management survey instrument described in the previous chapter. The organization of this chapter is structured sequentially according to the results of the three research questions. The chapter concludes with a summary of additional information gained from the survey's open-ended questions as well as a listing of salient findings.

Overview and Framework

The fiscal pressures facing most of American higher education have been well documented in recent years. While this stress appears to be creating serious ripples throughout the entire higher education community, the challenges are perhaps especially troublesome for the small, special purpose institution, such as the Christian liberal

arts college. And, indeed, many of the Christian liberal arts colleges fit the description of the type of institution predicted by many observers over a decade ago to be most vulnerable to enrollment decline and fiscal stress.

As noted in Chapter I, this study is different from the other research which has been conducted on this topic in four important ways. First, while some research has been conducted over the past several years to study the relationship between the use of specific management strategies and response to conditions of decline, virtually no research of this kind has been conducted with the Christian liberal arts college population. Second, while nearly all of the previously conducted research employs a uni-dimensional measure for assessing institutional performance (i.e., enrollment change, revenue change), this study uses a multi-dimensional measure which incorporates several variables believed to be important contributors to institutional health. Third, while the literature review uncovered a number of studies testing the relationship between the use of strategies specific to one operating area and institutional performance (e.g., the impact of the use of admissions and recruitment strategies on enrollment growth or decline), the author did not find any study using as broad a range of management strategy in combination with a multi-dimensional measure of institutional performance as is used in this study. Fourth, and finally, only a handful

of studies conducted on this topic employ a timeframe for examining change in institutional condition spanning beyond five years. Consequently, this research should yield important information for individuals and institutions with a particular interest in the Christian college sector, it should make a significant contribution to the research on how strategy actually works in a college or university setting, it should provide valuable benchmark data for small college administrators, and it should produce valuable insights on the types of actions and strategies which could potentially facilitate institutional resiliency.

This chapter provides a description of the findings and analyses of the data. Findings relevant to each research question are treated separately and summatively, with the research questions providing the overall organizational framework for the chapter. In Chapter V, the main conclusions from these findings will be presented, possible institutional response strategies will be discussed, and recommendations for future research in this area will be offered.

Research Question 1: What is the Current Condition of the Christian College Sector and How Has This Condition Changed During the Period 1981 to 1991?

Institutions selected for this study are the 82 North American members (excluding Canada) of the Christian College Coalition. Of the 82 colleges surveyed, one institution was

omitted from the sample due to incomplete data, and 65 schools responded (for a 80% response rate). This section examines various descriptive data pertaining to the entire sample as well as data pertaining only to the 65 responding colleges.

Descriptive Demographic Data for the CCC Institutions

The aggregate data are used to provide an overall profile of the sector's current condition and to describe how the condition of the sector has changed since 1981. As noted in Chapter I, the term "condition" is used to refer to an institution's overall health and well-being. While the primary focus is on financial health (as determined by an institution's performance on several specific enrollment and financial measures), other variables which impact institutional health were considered as well. In general, this researcher defined as "financially healthy" those institutions which, based on their performance on the set of six key ratios described in Chapter III, appeared to have sufficient flexibility so as to be able to respond to changes in the external environment in which they operate.

Categorization of CCC colleges. Institutions were grouped for analysis purposes in three categories: Improving (I), Stable (S), and Declining (D). **Improving** colleges included those institutions which had demonstrated significant **increased** enrollment and financial performance during the period from 1981 to 1991. **Stable** college

included those institutions which had demonstrated **moderate or stable** enrollment and financial performance during this same period. Finally, **Declining** colleges included those institutions which had demonstrated **decreasing** enrollment and financial performance between 1981 and 1991. These grouped data were used to compare characteristics across schools experiencing differing financial conditions during the decade 1981 to 1991.

Of the 81 schools in the sample population, 29 were categorized as Declining, 24 as Stable, and 28 as Improving institutions. Of the 65 responding colleges, 22 are Declining, 19 are Stable, and 24 are Improving institutions. As shown in Table 5, a higher percentage of Improving colleges responded to the survey (86%), followed by Stable (80%) and Declining colleges (76%). Because of the higher response rate for the Improving institutions, the results of this study could potentially be skewed to favor the responses given by these colleges. This possible limitation is discussed in Chapter V.

SURVEY RESPONSE RATE BY INSTITUTIONAL GROUP

Group	Total Number in Group	Number Responding By Group	Response Rate
Improving	28	24	86%
Stable	24	19	80%
Declining	29	22	76%

Environmental setting and location. As shown in Table 6, a majority of the CCC schools are located in suburban or rural settings (86%) with only a handful located in major urban centers (14%). Of those located in or near major urban settings, only one is located within the city limits. When broken down by group, more than half of the Declining colleges are located either in very large cities or in large towns (59% versus 39% for Improving colleges), while more than half of the Improving colleges are located in rural communities, small towns, and small cities (61% versus 41% for Declining colleges). Stable colleges are more evenly spread across categories with 46% located in large cities or towns and 54% located in densely populated areas. This finding

TABLE 6

LOCATION OF CCC SCHOOLS BY ENVIRONMENT AND LOCATION

	ALL	I	S	D
<u>Environment</u>				
Urban	11	5	2	4
Suburban	45	14	14	17
Rural	25	9	8	8
<u>Location</u>				
Very Large City	14	5	3	6
Large Town	24	6	8	11
Small City	18	8	6	4
Small Town	14	3	4	7
Rural Community	11	6	3	1
Total	81	28	24	29

Key:

ALL = All Colleges

I = Improving Colleges

S = Stable Colleges

D = Declining Colleges

contradicts the Tempel study (see Chapter II) wherein urban colleges were found to be in better enrollment and financial health than rural institutions. Given the market base from which many of the CCC schools draw students (i.e., religiously conservative populations), it might be that the urban Christian college is a less desirable option for young people than the college located in a more sheltered and pristine setting.

Of the 81 schools, 37% are located in the Northcentral region of the country with 28% in the South/Southcentral region, 23% in the Western region, and 11% in the Northeastern region of the United States (see Table 7). Well over half (59%) of the Declining colleges are located in the regions which were predicted in the early 1980s to bear the greatest brunt of the impending shortage of high school graduates (Northeast and Northcentral). As Table 7 shows, this prediction did, in fact, materialize as three of the four regions experienced sharp declines during the 1980s. On the other hand, more than half (61%) of the Improving colleges are located in the regions experiencing the smallest decline during this same period (South/Southcentral and Western). In general, of the two regions experiencing the sharpest drop in the high school graduate pool, one finds a much higher percentage of Declining colleges (44% versus 28% each for Stable and Improving colleges), suggesting that geographical location

LOCATION OF SCHOOLS BY REGION

Region	Aggregate	Group		
		Improving	Stable	Declining
Northeast	9 (11%)	4	2	3
Western	19 (23%)	7	6	6
South/S.C.	23 (28%)	10	7	6
Northcentral	30 (37%)	7	9	14

Decline in HS Grads 1981 - 1991	Change in FTE Enrollment 1981 - 1991		
	CCC Schools	All 4-Yr Privates	
Western	-2%	11%	15%
South/S.C.	-11%	29%	12%
Northcentral	-25%	2%	12%
Northeast	-29%	20%	-6%

Note: States included in each region are as follows:

Northeast: NH, VT, ME, NY, PA, MD, DC, DE, NJ, CT, RI, MASS

South/S.C.: TX, LA, MISS, AL, GA, FL, OK, AR, TN, KT, WV, VA,
NC, SC

Northcentral: ND, SD, NE, KS, MN, IA, MO, WI, IL, MI, IN, OH

Western: WA, OR, CA, NE, AZ, NM, CO, UT, WY, MT, ID, AL, HI

Source: U.S. Department of Education, Digest of Educational Statistics: 1993 (Washington, D.C.: NCES).

may have contributed in some part to the deteriorating condition of these schools. Given that the CCC schools have historically drawn their students from the traditional 18 - 22 year old population, one would expect a decline in the size of this pool to have some impact.

Undergraduate enrollment trends. Despite the declining high school graduation pool, the Christian College Coalition schools fared pretty well in undergraduate enrollment growth between 1981 and 1991 (see Table 7). Compared to all four-year private colleges, the CCC schools increased enrollments across all four regions of the country with the most significant increases in the South/Southcentral and Northeastern regions. However, schools in the Northcentral and Western regions fared somewhat less well than the national norms. Given that the Northeastern and South/Southcentral schools performed significantly better than what might have been expected and that the Northcentral schools performed much worse than other four-year privates located in the same region, one assumes the influence of factors other than location on enrollment performance.

More detail on the enrollment performance of the CCC schools is provided in Tables 8 and 9. As shown here, the sector grew in the aggregate in both undergraduate and graduate headcount enrollment as well as in FTE enrollment between 1981 and 1991. Indeed, the mean undergraduate headcount increased by 12% compared to 5% for all private

four-year colleges during this same period. Part-time enrollment grew at a much faster pace than full-time enrollment and at the graduate level it helped to offset the decline in full-time headcount enrollment. Of some concern is the growth from 1981 to 1991 in the proportion of part-time to full-time enrollment. As shown in Table 8, part-time enrollment as a percentage of total undergraduate enrollment increased from 10% to 13%. Improving colleges experienced the sharpest increase (from 4% to 14%), followed by Stable colleges (from 10% to 14%, and Declining colleges (from 9% to 11%). Nevertheless, the CCC schools continue to enroll a greater percentage of full-time undergraduates than the national average (87% at CCC schools versus 80% nationally).

Overall, undergraduate enrollment growth is most significant among the Improving colleges with an average increase of 39% between 1981 and 1991. Stable colleges maintained undergraduate headcount at about the same pace as the national norms (increase of 5%) while the Declining colleges experienced a declining headcount (a drop of 5%). Clearly, some of the enrollment gains made by Improving and Stable colleges during the 1980s has come from an increasing part-time population. This is particularly true at the Stable colleges where full-time undergraduate enrollment

ENROLLMENT CHANGE BY HEADCOUNT 1981 TO 1991

	CCC Schools								All 4-Yr. Privates	
	ALL		I		S		D			
	81	91	81	91	81	91	81	91	81	91
<u>Undergraduate</u>										
Total	1013	1139	872	1213	1165	1219	1040	993	1629	1711
% Change 81-91	12%		39%		5%		-5%		5%	
Full-time	918	996	792	1047	1043	1059	951	889	1438	1491
% Change 81-91	8%		32%		2%		-7%		4%	
Part-time	98	150	84	171	122	168	92	112	326	345
% Change 81-91	53%		103%		38%		22%		6%	
	CCC Schools								All 4-Yr. Privates	
	ALL		I		S		D			
	81	91	81	91	81	91	81	91	81	91
<u>Graduate</u>										
Total	223	279	268	306	233	336	160	168	n/a	n/a
% Change 81-91	25%		14%		31%		5%		n/a	
Full-time	102	99	129	112	71	97	121	82	n/a	n/a
% Change 81-91	-0.30%		-14%		37%		-32%		n/a	
Part-time	147	200	139	224	202	244	86	110	n/a	n/a
% Change 81-91	36%		62%		21%		28%		n/a	

Key:

ALL = All Colleges I = Improving Colleges S = Stable Colleges
D = Declining Colleges n/a = Not Available

% of Total Headcount Enrolled Part-Time:	CCC Schools								All 4-Yr. Privates	
	ALL		I		S		D			
	81	91	81	91	81	91	81	91	81	91
<u>Undergraduate</u>										
% Part-Time	10%	13%	4%	14%	10%	14%	9%	11%	20%	20%
<u>Graduate</u>										
% Part-Time	66%	72%	52%	73%	87%	73%	54%	65%	60%	62%

Key:

ALL=All Colleges I=Improving Colleges S=Stable Colleges
D=Declining Colleges n/a=Not Available

Source: U.S. Department of Education, Digest of Educational Statistics: 1993, (Washington, D.C.: NCES).

increased only slightly. On the other hand, Improving colleges were successful at increasing both part- and full-time enrollment.

Graduate enrollment trends. Graduate enrollment at the CCC schools increased on average between 1981 and 1991 by 25% with the largest increase occurring among the Stable colleges (31%). As with undergraduate enrollment, the proportion of students enrolled in graduate studies part-time increased during this same

period with the largest increase among Improving and Declining colleges. In the aggregate, nearly three-fourths of the graduate students in CCC schools are now enrolled on a part-time basis and compared to the national norms, graduate students at CCC schools are somewhat more likely than students at other four-year private colleges to be enrolled part-time (72% versus 62% nationally). At the same time, it is interesting to note that while graduate enrollment at the Stable colleges increased, the proportion of part-time enrollment decreased at these schools, meaning that graduate enrollment gains at these colleges during the 1980s came largely from full-time enrollment. Overall, Improving and Stable colleges have higher graduate enrollments and appear to have made greater graduate enrollment gains during the 1980s than the Declining colleges.

Full time equivalent (FTE) enrollment trends. The FTE data shown in Table 9 suggest that the worsening enrollment situation reported by Clark in his 1989 enrollment study (see Chapter I) has been averted. Indeed, following an average decline of 4% during the first half of the 1980s, the average FTE began rising in 1986 and continued for an average increase of 16% over the second half of the 1980s. Perhaps most significantly, the average FTE has been on the rise since 1986 for all three groups with the largest increase experienced by the Improving colleges. Compared to

ENROLLMENT CHANGE BY FTE 1981 TO 1991

	CCC FTE Averages				All 4-Yr. Privates
	ALL	I	S	D	
<u>Year</u>					
1981	993	866	1139	1009	n/a
1986	957	909	1101	888	n/a
1991	1115	1181	1217	962	n/a
<u>% Change</u>					
1981 - 1986	-4%	5%	3%	-14%	5%
1986 - 1991	16%	30%	11%	8%	6%
1981 - 1991	12%	36%	7%	-5%	12%

Key:

ALL=All Colleges I=Improving Colleges S=Stable Colleges
D=Declining Colleges n/a=Not Available

Source: U.S. Department of Education, Digest of Educational Statistics: 1993, (Washington, D.C.: NCES).

national norms, CCC schools fared worse than average in the early 1980s, much better than average in the mid-to-late 1980s, and ended the decade with an overall FTE growth rate for the decade on par with other four-year private colleges. Indeed, 54 of the 81 CCC schools experienced an increasing FTE during the 1980s with an

average increase of 41%. As noted earlier, it is quite likely that a great share of this FTE enrollment gain came from an increasing part-time population. For the 27 schools experiencing declining FTE, the average decrease was 16%. Clark's study of the same schools during the period 1980 to 1986 revealed only 30 schools enjoying some enrollment growth (average increase of 14%) with 41 schools declining an average of 12% during the same period.

Enrollment change by institutional size. The findings of this study contradict in one other important way the Tempel study mentioned previously. Temple found institutional size to be a significant factor in response to scarcity. Specifically, Tempel found that for his population, large size seemed to be a necessary ingredient for dealing effectively with decline. This finding does not appear to hold up for the schools in this study. For example, Table 10 shows that 71% of the Improving colleges had enrollments of less than 1,000 in 1981. (Some analysts have suggested that an institutional size of 1,000 is a minimum threshold for institutional viability.) Moreover, in 1981, the bulk of the smaller-sized schools consisted primarily of Improving and Declining colleges. However, in 1991, the percentage of smaller-sized Improving colleges had dropped from 32% to 14% while the Declining and Stable college share held steady (at 24% and 4% respectively).

While size may help buffer one from decline, there are undoubtedly other factors at work to explain the reasons for a growing and/or declining condition.

TABLE 10

ENROLLMENT CHANGE BY INSTITUTIONAL SIZE 1981 TO 1991

	CCC SCHOOLS								All 4-Yr Privates	
	ALL		I		S		D			
	81	91	81	91	81	91	81	91	81	91
<u>Enrollment Size (FTE)</u>										
Fewer than 499	17	12	9	4	1	1	7	7	659	784
500 - 999	32	34	11	12	10	9	11	13	402	394
1000 - 1499	19	23	4	8	7	9	8	6	694*	907*
1500 - 1999	7	6	4	4	3	1	0	1	n/a	n/a
2000 and above	6	6	0	0	3	4	3	2	n/a	n/a

*Note: Includes all schools with enrollments larger than 1,000

Key:

ALL = All Colleges
 I = Improving Colleges
 S = Stable Colleges
 D = Declining Colleges
 n/a = Not Available

Source: U.S. Department of Education, Digest of Educational Statistics: 1993, (Washington, D.S.: NCES).

Percentage of Small-Size and Large Size Schools by Group
and Change in Percentage from 1981 to 1991

	CCC SCHOOLS								All 4-Yr Privates	
	ALL		I		S		D			
	81	91	81	91	81	91	81	91	81	91
<u>% of Schools with Enrollment</u>										
999 or less	60%	57%	41%	35%	22%	22%	37%	44%	60%	56%
1,000 and above	40%	43%	25%	34%	41%	40%	34%	26%	40%	44%

Key:

- ALL = All Colleges
- I = Improving Colleges
- S = Stable Colleges
- D = Declining Colleges

Source: U.S. Department of Education, Digest of Educational Statistics: 1993, (Washington, D.S.: NCES).

First-year student enrollment trends. Given the sector's historical dependence on the traditional 18 - 22 year old pool, it is also helpful to examine trends and changes in the first-year student population. As shown in Table 11, freshman enrollment trends between

FRESHMAN HEADCOUNT CHANGE 1981 to 1991

	CCC Schools				All 4-Yr. Privates
	ALL	I	S	D	
<u>Average Headcount in Year:</u>					
1981	298	253	349	305	399
1986	249	239	275	236	n/a
1991	273	308	271	237	376
<u>% Headcount Change from:</u>					
1981 to 1986	-20%	-6%	-21%	-29%	n/a
1986 to 1991	10%	29%	-2%	0%	n/a
1981 to 1991	-9%	22%	-29%	-29%	-6%

Key:

ALL = All Colleges

I = Improving Colleges

S = Stable Colleges

D = Declining Colleges

n/a = Not Available

Source: U.S. Department of Education, Digest of Educational Statistics: 1993, (Washington, D.C.: NCES).

1981 and 1991 fared slightly less well than FTE and headcount patterns. Freshman enrollments declined in the aggregate 9% during this period with the decrease

taking place in the first half of the 1980s. Since 1986, schools in all three groups have fared much better with the Improving colleges showing the most significant increase in freshman enrollment. However, compared to national norms, the CCC schools have declined in the aggregate in freshman enrollments at a slightly higher pace (-9% versus -6%). Improving colleges fared much better than national averages while both Stable and Declining colleges fared worse than average. These data provide further support for the notion that for those schools experiencing enrollment growth during the 1980s, the increase has come less from traditional sources (i.e., first-time, 18 year old college students) than from new or alternative markets (i.e., adult, part-time, graduate). In fact, for Stable and Declining colleges, the enrollment shortfall during the 1980s appears to be attributable in large part to a declining traditional freshman population.

Freshman admissions yield trends. Table 12 shows the aggregate change rates from 1981 to 1991 in new student conversion ratios as well as rates for the three comparison groups. While yield rates have slipped nationally and among the CCC schools, some interesting differences between the national averages and the CCC schools can be noted. First, while the national acceptance rate for four-year private colleges increased slightly between 1981 and 1991, the rate decreased slightly for CCC schools. In particular,

CHANGE IN FRESHMEN ENROLLMENT YIELDS 1981 TO 1991

	Enrollment Yields by Group					
	% Apps Accepted		% Apps Enrolled		% Accepts Enrolled	
	81	91	81	91	81	91
<u>CCC Schools</u>						
All	87%	81%	61%	49%	71%	61%
% Change 1981 - 1991	-6%		-13%		-10%	
Improving	89%	80%	60%	51%	68%	64%
% Change 1981 - 1991	-8%		-10%		-4%	
Stable	86%	86%	65%	49%	76%	57%
% Change 1981 - 1991	0%		-16%		-19%	
Declining	86%	78%	60%	46%	70%	60%
% Change 1981 - 1991	-8%		-14%		-10%	
<u>All 4-Yr Privates</u>	60%	63%	n/a	n/a	50%	39%
% Change 1981 - 1991	3%		n/a		-10%	

Source: U.S. Department of Education, Digest of Educational Statistics: 1993, (Washington, D.C.: NCES).

acceptance rates decreased among Improving and Declining colleges, suggesting a possible tightening of admissions standards among schools in these two groups.

Since freshman enrollments are also on the rise at these schools, one might speculate about the possible relationship between enhanced academic quality and increased enrollment (a relationship suggested by research presented in Chapter III). Nevertheless, compared to national norms, CCC schools are on average still accepting a much higher percentage of applicants (81% versus 63%), a factor which greatly increases this sector's vulnerability to enrollment fluctuations.

The accepted applicant yield rate declined in the aggregate for CCC schools at about the same pace as for all four-year privates (-10%). Again, it is interesting to note the differences between the three CCC groups (see Table 12). While the Stable colleges experienced the sharpest drop in the conversion of applicants and accepted students, Improving colleges fared much better than average. A higher applicant acceptance rate (as is the case for the Stable colleges) could mean a less qualified prospect pool, thus accounting for a steeper dropoff as one moves down the enrollment funnel. In any event, the Improving colleges are clearly outperforming national norms with regard to freshman enrollment trends. The picture is considerably more mixed for the Stable and Declining college groups.

Trends in general admissions characteristics. Several additional admissions characteristics were examined in this study with the results displayed in Table 13. For example, of the 65 responding institutions, 3 classify themselves as having an open-door admissions policy, 57 have selective, and 5 have competitive admissions standards. In the Improving and Declining groups, all but one in each group classify themselves as selective. The Stable colleges are also primarily selective; however, four colleges in this group are competitive and two have open-door policies.¹

Not surprisingly, there seems to be greater concern among the CCC schools for increasing enrollment in the 1990s than was the case a decade ago (see Table 13). While no school intends to reduce enrollments in the 1990s (this compares to one in the 1980s), and while a handful intend to maintain enrollments (12 in the 1990s versus 20 in the 1980s), the majority of schools (72%) report an intent to increase enrollments during the next several years. The

¹Definitions of the selective, competitive, and open-door admissions standards are as follows: Open-door - admit all who wish to attend, or admit any high school graduate. Selective - admit the majority of applicants who meet some specified level of achievement or other qualifications above and beyond high school graduation. Competitive - admit only a limited number of those applicants who meet specified levels of academic achievement or other qualifications above and beyond high school graduation.

ADMISSIONS CHARACTERISTICS

	Self-Reported Admissions Selectivity in 1991							
	All		Improving		Stable		Declining	
<u>Selectivity:</u>								
Open-Door	3		0		2		1	
Selective	57		23		13		21	
Competitive	5		1		4		0	
	Enrollment Strategy Pursued in 1980s and 1990s by Group							
	All		Improving		Stable		Declining	
	81	91	81	91	81	91	81	91
<u>Strategy:</u>								
Increase Enrollments	53	58	20	20	16	17	17	21
Maintain Enrollments	10	6	3	3	3	2	4	1
Reduce Enrollments	1	0	0	0	0	0	1	0

	Self-Reported Change in Admissions Standards 1981 to 1991			
	All	I	S	D
<u>Standard:</u>				
General Selectivity	3.86	4.17	3.72	3.63
Level/Yrs HS Work	3.48	3.62	3.55	3.27
HS GPA/Rank	3.79	4.00	3.67	3.68
ACT/SAT Scores	3.81	4.00	3.83	3.59

Rating Scale: 1=Much Lower 3=No Change 5=Much Higher

Key:

All = All Colleges
 I = Improving Colleges
 S = Stable Colleges
 D = Declining Colleges

shift is most significant among Declining colleges where the number of colleges planning enrollment increases has jumped from 17 to 21.

With regard to self-reported admissions standards, while no college reported a lowering of standards during the 1980s on any of the items listed in Table 13, the Improving colleges reported a significant strengthening of standards compared to Declining and

Stable colleges. This appears to support the notion that Improving and Declining colleges are perhaps raising their admissions standards. However, it does not explain the apparent contradiction between self-reported higher standards and a flat admissions acceptance rate at Stable colleges. It could be that Stable colleges perceive their standards to be higher than what is actually the case or, that the pool from which all three groups draw has changed significantly over the past decade. Some support for the latter idea is provided by the information displayed in Table 14. While the percentage of provisionally accepted freshmen and the percentage of freshmen taking remedial courses has increased significantly across all three groups, this increase is slightly more pronounced among the Stable colleges.

It is interesting to note that, similar to national trends, there has been virtually no change in the aggregate among the CCC schools with regard to state residency. Since 1981, the Improving colleges have enrolled a higher percentage of in-state students than either the Stable or Declining colleges (63% versus 55% and 50%). This is an interesting finding in light of previously conducted research which suggests that a college which draws its student population from a close radius and from within the state typically experiences less enrollment stability than institutions which draw from a wider market. Buffington's

CHANGE IN STUDENT DEMOGRAPHICS 1981 TO 1991

	CCC Schools								All 4-Yr Privates	
	All		I		S		D			
	81	91	81	91	81	91	81	91	81	91
% Freshmen Admitted Provisionally	2%	8%	2%	9%	2%	8%	1%	8%	n/a	n/a
% Freshmen in Remedial Courses	2%	11%	2%	12%	2%	13%	2%	10%	n/a	n/a
% In-State Students	56%	56%	64%	63%	54%	55%	49%	50%	57%	57%
% Out-State Students	44%	44%	36%	37%	46%	45%	51%	50%	43%	43%
% Commuting Students	24%	19%	27%	19%	20%	18%	23%	22%	n/a	31%
% Residential Students	76%	80%	73%	81%	80%	82%	77%	78%	n/a	69%
% Minority Students	7%	9%	7%	9%	5%	8%	7%	9%	15%	19%
% Foreign Students	3%	3%	4%	3%	3%	3%	3%	4%	3%	4%

Key:

All = All Colleges I = Improving Colleges S = Stable Colleges
D = Declining Colleges n/a = Not Available

Source: U.S. Department of Education, Digest of Educational Statistics: 1993, (Washington, D.C.: NCES).

1990 study resulted in similarly contradictory findings. In Buffington's study, the increasing colleges report the highest level of in-state attendance, with the Declining colleges reporting a much lower level. It could be that for less-selective, four-year liberal arts colleges (the population base for Buffington's study as well as for this one), greater dependence upon a local or regional market helps to buffer the institution from enrollment fluctuations.

Regarding resident and commuting student representation, the CCC sector has become more residential, due in large part to a shift among the Improving colleges (from 73% residential in 1981 to 81% in 1991). Compared to national norms, the CCC sector has a significantly higher residential student population (80% versus 69%). Minority student representation has increased only slightly at CCC schools and at about the same rate across all three groups with little to no change in international student representation. While this increase is on par with national norms over the same period, the CCC schools, nonetheless, enroll on average a much lower percentage of minority students (9% versus 19%) and only a slightly lower percentage of international students (3% versus 4%).

Trends in programmatic variables. Several variables describing the academic program of the institution were examined and are reported in Table 15. The mean number of

CHANGE IN PROGRAMMATIC VARIABLES BY GROUP

	All		Improving		Stable		Declining	
<u>Number of Undergraduate Programs</u>	81	91	81	91	81	91	81	91
Mean	27	32	23	31	29	35	30	32
Range - Min.	5	10	5	10	7	14	5	13
Max.	54	75	50	65	54	75	54	57
<u>Number of Graduate Programs</u>								
Mean	5	4	6	5	6	4	3	3
Range - Min.	0	0	0	0	0	0	0	0
Max.	13	27	9	27	16	11	13	16
<u>Number of Schools Offering Grad Programs</u>								
0 Programs	44	25	18	10	9	4	17	11
1-4 Programs	12	31	2	12	4	7	6	12
5-9 Programs	7	3	5	1	2	2	0	0
10+ Programs	2	5	0	2	1	2	1	1
<u>Number of Full-time Faculty</u>								
Mean	57	68	50	63	63	75	60	66
Mean Student/Faculty Ratio	16/1	15/1	16/1	16/1	17/1	14/1	16/1	14/1

undergraduate programs offered by the CCC schools increased from 27-32 between 1981 and 1991 with the Improving and Stable colleges showing the greatest increase. While the mean number of graduate programs decreased slightly (from five to four), more of the CCC schools are in the graduate school business in 1991 than in 1981 (40 schools now offer at least one graduate program versus 21 in 1981). The majority of schools with graduate programs offer five or fewer programs. The handful of schools offering more than five programs can be found primarily among the Improving and Stable college groups.

The mean number of full-time faculty at CCC schools increased during the 1980s by 19%. The increase is most pronounced for Improving colleges (27%), followed by Stable colleges (19%) and Declining colleges (10%). The mean faculty-to-student ratio has changed little over this period with a slight decrease occurring only among the Stable and Declining colleges.

Descriptive Financial Data for the CCC Colleges

Particularly for the Declining colleges, a decreasing faculty-to-student ratio, coupled with declining enrollment and increasing fixed cost expenses, sets the stage for impending fiscal distress. Without new or increasing revenue streams to offset this downward spiraling financial picture, these schools indeed face significant challenges. Several variables describing the financial condition of the

institution in greater detail were examined and are reported in Table 16 through Table 22. Taken together, these variables provide a mixed picture regarding the overall health of this sector.

Change in the financial ratio: unrestricted funds balance to total expenditures and mandatory transfers.

One of the most common means of communicating an institution's financial condition is the balance sheet, a report showing the financial position of the institution at a given point in time, such as the end of the fiscal year. The balance sheet ratio used in this study is the ratio of unrestricted fund balances to total expenditures and mandatory transfers. In brief, this ratio describes the institution's ability to support its current level of operations from all available expendable resources without considering revenues generated from operations. As such, this ratio is an important measure of financial strength relative to institutional operating size.

While no absolute value for fiscal health has been identified for this ratio, Rothschild, Unterberg, and Towbin (1984) suggest that a ratio of 0.3:1 or better is needed to reinforce significantly the ratio of expendable fund balances to plant debt. According to these financial analysts, a ratio of 0.3:1 or better suggests that an institution is able to support its current level of operations from all available expendable resources without

diverting revenues generated from operations, thus providing the institution with a reasonable margin of protection against the possibility of adversity. As shown in Table 16, the aggregate mean ratio for all CCC schools falls well below this minimum threshold (indeed, the mean ratio declined from .039:1 in 1981 to .026:1 in 1991). In fact, no CCC school had a ratio above the suggested threshold of 0.3:1 in 1991. Improving colleges have clearly fared better than Declining colleges on this ratio with Stable colleges experiencing only slight change. For example, while a large portion of the Improving colleges had negative fund balance ratios in 1981 (17 out of 28), only three such schools had negative ratios in 1991. Inversely, while only a handful of the Declining schools had negative ratios in 1981 (5 out of 29), the situation is much worse in 1991 (12 out of 29). Overall, the CCC schools experienced an average mean increase of 6% on this ratio between 1981 and 1991 with Improving and Stable colleges showing the most significant gains (+337% and +128% respectively). On the other hand, the Declining colleges lost significant ground (-450%).

CHANGE IN FINANCIAL RATIO:
UNRESTRICTED FUNDS BALANCE TO TOTAL
EXPENDITURES AND MANADATORY TRANSFERS BY GROUP
1981 TO 1991

	All		Improving		Stable		Declining	
	81	91	81	91	81	91	81	91
<u>Ratios</u>								
Mean Ratio	0.04	0.03	-0.06	0.08	0.08	0.07	0.11	-0.07
Range - Min.	-0.70	-1.49	-0.70	-0.10	-0.14	0.00	-0.14	-1.49
Max.	0.49	0.26	0.27	0.26	0.26	0.23	0.49	0.25
Mean % Change	6%		378%		129%		-450%	
<u>Number of Schools With Ratios</u>								
(.500) and below	1	2	1	0	0	0	0	2
(.001) - (.499)	24	14	16	3	3	1	5	10
.001 - .099	30	41	9	16	11	15	10	10
.100 - .199	17	17	3	8	6	5	8	4
.200 - .299	7	7	0	2	4	3	3	2
.300 - .399	2	0	0	0	1	0	1	0
.400 - .499	0	0	0	0	0	0	1	0
.500 and up	0	0	0	0	0	0	0	0

Source: National Science Foundation CASPAR Database System.

Change in financial ratio: net revenues to total revenues. After assessing overall financial condition, financial analysts typically focus in on the primary causes that produced the financial condition described by the balance sheet ratios. To better comprehend financial performance, such analysts typically turn to the financial activities reported for current funds, or what are commonly called net operating ratios. The net operating ratio used in this study is the ratio of net total revenues to total revenues, an indicator used to measure whether total current operations for any given year resulted in a surplus or deficit. The ratio is calculated by dividing the annual total revenues amount (i.e., all current unrestricted and restricted funds revenues) into the annual net revenues amount (i.e., all current unrestricted and restricted funds revenues less all current funds expenditures and mandatory transfers). A positive ratio indicates a surplus for the year reported on. In general, the larger the surplus, the stronger the institution's financial position as a result of the year's operation. Large deficits in several successive years indicate the strong possibility of a seriously weakening financial condition. Since a large surplus or deficit directly affects the size of unrestricted fund balances, this ratio is one of the primary indicators of the underlying causes of the institution's financial condition.

As is evident by the data presented in Table 17, the

CHANGE IN FINANCIAL RATIO:
NET REVENUES TO TOTAL REVENUES BY GROUP
1981 TO 1991

	Mean Ratio			
	All	I	S	D
<u>Year</u>				
1981	0.0156	-0.0137	0.0365	0.0306
1982	0.0121	0.0039	0.0312	0.0059
1983	0.0075	0.0211	0.0135	-0.0127
1984	0.0038	0.0159	0.0133	-0.0181
1985	-0.0022	0.0022	0.0096	-0.0159
1986	0.0123	0.0408	0.0105	-0.0181
1987	-0.0046	0.0249	-0.0233	-0.0215
1988	-0.0199	0.0155	0.0247	-0.0677
1989	-0.0287	-0.0375	-0.0193	-0.0263
1990	-0.0148	0.0088	-0.0221	-0.0345
1991	-0.0216	-0.0207	-0.0041	-0.0363
Mean % Change	-224%	-121%	-70.30%	-460%

Key:

All = All Colleges
I = Improving Colleges
S = Stable Colleges
D = Declining Colleges

Source: National Science Foundation CASPAR Database System.

mean ratio for all schools steadily declined between 1981 and 1991 with the Declining colleges experiencing the most significant decrease and the Stable colleges experiencing the least. It appears that since 1989 schools in all three groups experienced slippage on this ratio with all groups showing negative mean ratios in 1991. This suggests that fewer schools are living within their means in 1991 than was the case ten years ago and that, even for those schools experiencing enrollment and tuition revenue increases, expenses may be increasing at a rate greater than what revenue income will support.

Change in financial ratio: tuition and fee revenues to total educational and general revenues. Further analysis of revenues by source and expenditures by function provide additional insight on the findings reported above. For example, the data in Table 18 show that the CCC schools are drawing a greater share of their revenue from tuition and fee income than was the case in the early 1980s (47% in 1981 versus 54% in 1991). While this increase appears to be on par with national norms (see Table 18), the CCC schools are considerably more dependent on tuition income than other four-year privates. Moreover, the combination of higher applicant acceptance rates and increasing tuition dependency puts these schools in a much more vulnerable position vis-a-vis enrollment fluctuation. Given the relatively small to non-existent cushion that many of these schools are living

with (i.e., fund balance ratios), there appears to be very little flexibility for responding to severe crisis should the need arise.

Change in financial ratio: private gifts and grants to total expenditures and mandatory transfers. Likewise, income from private gifts and grants at CCC schools is clearly not keeping pace with expenses. The decline appears to be most significant for Improving and

TABLE 18

CHANGE IN FINANCIAL RATIO:
TUITION AND FEE REVENUES TO TOTAL E & G REVENUES
BY GROUP 1981 TO 1991

	CCC Schools								All 4-Yr. Privates	
	All		Improving		Stable		Declining			
	81	91	81	91	81	91	81	91		
Mean Ratio	0.47	0.54	0.48	0.55	0.47	0.53	0.46	0.53	0.37	0.41
Range-Min.	0.23	0.34	0.23	0.38	0.31	0.34	0.36	0.40	n/a	n/a
Max.	0.89	0.78	0.89	0.78	0.59	0.69	0.61	0.65	n/a	n/a
Mean % Change 81-91	16%		19%		13%		15%		32%	

Key: n/a = Not Available

Source: National Science Foundation CASPAR Database System

TABLE 18 - CONTINUED

TUITION, ROOM, AND BOARD CHARGES
1981 TO 1991

	CCC Schools									
	All		Improving		Stable		Declining		All 4-Yr. Privates	
	81	91	81	91	81	91	81	91	81	91
<u>Tuition, Room and Board Charges (in thousands)</u>										
Tuition	3220	7350	3235	7240	3185	7187	3234	7603	4371	10017
% Change 1981-1991	128%		124%		126%		135%		129%	
Room & Board	1807	3219	1745	3114	1846	3253	1842	3302	2323	4386
% Change 1981-1991	78%		78%		76%		79%		89%	
Total Charge	5027	10569	4980	10354	5031	10440	5076	10905	6694	14403
% Change 1981-1991	110%		108%		108%		115%		115%	

Source: National Science Foundation CASPAR Database System

Declining colleges. As shown in Table 19, the percentage of the education budget met by private gifts and grants income declined from 17% in 1981 to 12% in 1991. While the mean percentage for 1991

TABLE 19

CHANGE IN FINANCIAL RATIO:
PRIVATE GIFTS AND GRANTS TO
TOTAL EXPENDITURES AND MANDATORY TRANSFERS
BY GROUP 1981 TO 1991

	CCC Schools								All 4-Yr Privates	
	All		Improving		Stable		Declining			
	81	91	81	91	81	91	81	91	81	91
Mean Ratio	0.17	0.12	0.18	0.12	0.15	0.11	0.18	0.13	0.11	0.09
Range-Min.	0.04	0.03	0.04	0.03	0.04	0.05	0.08	0.06	n/a	n/a
Max.	0.55	0.27	0.55	0.27	0.32	0.24	0.39	0.23	n/a	n/a
Mean % Change 1981-1991	-16%		-19%		-4%		-23%		n/a	

Key: n/a = Not Available

Source: National Science Foundation CASPAR Database System.

is still slightly above the national average for similar schools, the magnitude of the decline for CCC schools over the past decade is much more significant. Such a decline suggests that private giving is declining, that educational and general expenditures are rising faster than this source of funding, or both. Such a decline must

be offset by increasing revenues elsewhere (most likely tuition and fees or endowment) or by reducing expenditures.

Change in financial ratio: endowment income to total educational and general revenues. While many private schools are able to offset declining revenue income by strengthening endowment earnings, the CCC schools typically generate inconsequential income from this source. Indeed, compared to the national private four-year college average for the share of revenue coming from endowment of 5%, the CCC school average has hovered at 3% since the early 1980s (see Table 20). On the positive side, a number of schools with virtually no endowment funds in 1981 have made small progress over the past decade, thus accounting for an overall positive change in this ratio of 135%. Not surprisingly, Improving colleges experienced the largest average gain (214%).

Change in financial ratio: instructional expenditures to total educational and general revenues. In assessing change in financial condition it is helpful to examine whether specific areas of the institution are getting a growing or dwindling share of the total available revenues. This can be especially helpful in looking for reasons as to why expenditures are outpacing revenue. In the case of the

CHANGE IN FINANCIAL RATIO:
 ENDOWMENT INCOME TO TOTAL E & G REVENUES
 BY GROUP 1981 TO 1991

	CCC Schools								All 4-Yr Privates	
	All		Improving		Stable		Declining			
	81	91	81	91	81	91	81	91	81	91
Mean Ratio	0.03	0.03	0.03	0.03	0.04	0.04	0.02	0.03	0.05	0.05
Range-Min.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n/a	n/a
Max.	0.22	0.13	0.13	0.10	0.22	0.09	0.10	0.13	n/a	n/a
Mean % Change 1981-1991	136%		214%		92%		88%		n/a	n/a

Key: n/a = Not Available

Source: National Science Foundation CASPAR Database System

CCC schools, Table 21 provides some useful data. As shown here, the percentage of revenue income being used to support the academic programs of the college has increased only slightly between 1981 and 1991 while the percentage of revenue being siphoned off to support student scholarship programs increased significantly.

CHANGE IN FINANCIAL RATIO BY GROUP 1981 TO 1991

INSTRUCTIONAL EXPENDITURES TO TOTAL E & G REVENUES

	CCC Schools								All 4-Yr Privates	
	All		Improving		Stable		Declining			
	81	91	81	91	81	91	81	91	81	91
Mean Ratio	0.25	0.24	0.24	0.23	0.25	0.26	0.25	0.25	0.26	0.26
Range-Min.	0.11	0.13	0.11	0.13	0.17	0.15	0.17	0.17	n/a	n/a
Max.	0.38	0.35	0.32	0.35	0.38	0.35	0.37	0.33	n/a	n/a
Mean % Change 1981-1991	0.01		0.00		0.03		0.00		n/a	n/a

SCHOLARSHIP EXPENDITURES TO TOTAL E & G REVENUES

	CCC Schools								All 4-Yr Privates	
	All		Improving		Stable		Declining			
	81	91	81	91	81	91	81	91	81	91
Mean Ratio	0.09	0.15	0.09	0.15	0.08	0.13	0.10	0.15	0.06	0.09
Range-Min.	0.01	0.05	0.01	0.05	0.02	0.07	0.02	0.08	n/a	n/a
Max.	0.27	0.25	0.19	0.25	0.18	0.20	0.27	0.25	n/a	n/a
Mean % Change 1981-1991	130%		186%		105%		91%		n/a	n/a

Source: National Science Foundation CASPAR Database System.

Indeed, the CCC schools spend slightly less of their revenue income on instruction than the national average while spending significantly more on scholarships and grants. For both categories, the change is most significant for Improving colleges. The Improving colleges in the aggregate decreased the percentage of revenue going to support instruction and currently commit a lower percentage to this function than do either the Stable or Declining colleges.

Change in financial ratio: scholarship expenditures to total educational and general revenues. Regarding the scholarship category, Improving colleges commit a higher percentage of their revenue income to support student scholarships, followed closely by Declining and Stable colleges. It is interesting to speculate about the possibility of a relationship between increased scholarship and grant-in-aid assistance offered by the Improving colleges and the increased enrollment these schools have experienced over the same period. Clearly, this could be one explanation for why the Improving colleges, despite increasing enrollments, appear by some financial measures to be in no better or only slightly better financial health than either the Stable or Declining colleges.

Change in financial ratio: total assets to total liabilities. A final ratio which is frequently used to assess an institution's overall financial strength is the ratio of available assets to general liabilities. In brief,

this ratio gives an indication of the institution's ability to meet its most pressing debts, or, in other words, the amount of "cushion" available for debt coverage. Analysts suggest that as long as debt is outstanding, available assets should be at least twice as great as general liabilities, thus making 2.0:1 the minimum threshold for this ratio. Using this as a guideline for assessment, the CCC schools in the aggregate appear to be in better shape on this ratio in 1991 than in 1981. As shown in Table 22, twenty-nine of the CCC schools meet this threshold in 1991, compared to only ten in 1981. The greatest increase has come among the Improving colleges (aggregate increase of 783%), followed by the Stable colleges (aggregate increase of 366%) and the Declining colleges (aggregate increase of 130%). The mean ratio for each group provides a slightly different picture. While the Improving colleges currently have the lowest mean ratio (3.1 versus 7.5 and 4.6), the colleges in this group have clearly made the biggest gains in building a debt coverage cushion. On the other hand, as Table 22 illustrates, the Declining colleges lost significant ground during this same period.

CHANGE IN FINANCIAL RATIO:
TOTAL ASSETS TO TOTAL LIABILITIES BY GROUP
1981 TO 1991

	All		Improving		Stable		Declining	
	81	91	81	91	81	91	81	91
<u>Ratios</u>								
Mean Ratio	19.08	4.91	0.65	3.14	2.21	7.58	51.43	4.66
Range - Min.	-0.56	-1.31	-0.56	-0.19	0.03	0.21	-0.11	-1.31
Max.	1395.00	95.82	4.05	15.36	16.23	95.82	1395.00	54.20
Mean % Change	439%		784%		366%		131%	
<u>Number of Schools With Ratios</u>								
(.500) and below	1	2	1	0	0	0	0	2
(.001) - (.499)	6	2	5	1	0	0	1	1
.001 - .999	51	24	17	7	17	8	17	9
1.00 - 1.99	12	23	3	11	2	5	7	7
2.00 - 2.99	3	6	1	3	2	2	0	1
3.00 - 3.99	1	2	0	0	1	0	0	2
4.00 - 4.99	1	6	1	2	0	2	0	2
5.00 and up	5	15	0	4	2	7	3	4

Source: National Science Foundation CASPAR Database System.

Summary for Descriptive Data Variables

The demographic and financial variables examined and described above yield findings which are consistent with previously conducted studies as well as findings which are contradictory to previous work in this field. A number of these findings are worth repeating.

First, it appears that external variables such as environmental setting and location may contribute to the financial well-being of an institution. For example, Improving and Stable colleges were more likely than Declining colleges to be located in suburban or rural areas. On the other hand, Declining colleges were more likely to be located in urban areas as well as in the regions of the country experiencing the sharpest decline in the number of high school graduates during the 1980s. Such findings suggest that as college administrators strategize about their futures, they cannot and should not overlook the possible impact of external factors on efforts toward resiliency.

Second, despite the declining high school graduating pool, the CCC colleges on average outpaced the national norms in enrollment growth during the 1980s. Particularly for Improving and Stable colleges, much of the increase appears to have come from an increasing undergraduate part-time, non-traditional adult, and graduate student population. Of the three groups, the Improving colleges

made the greatest enrollment gains during the 1980s. Most significant, these colleges appear to have been simultaneously pursuing a broad range of recruitment strategies; they made the largest gains in overall FTE, in undergraduate full-time and part-time enrollment, in graduate enrollment, and in first-year student enrollment.

Third, the Improving colleges also appear to have made the greatest gains in strengthening their image. For example, these schools self-report the most progress in strengthening academic standards (e.g., ACT/SAT scores, high school preparation, general selectivity) and also show the most significant progress in raising admissions standards (e.g., declining acceptance rates coupled with increasing matriculation rates). Such findings confirm previously conducted research which hinted at a possible link between efforts to strengthen academic reputation and enrollment growth (Breneman, 1983; Mingle & Norris, 1981).

Fourth, a finding which contradicts previous research involves the breadth of an institution's student recruitment drawing area. In this study, the Improving colleges enrolled a higher percentage of in-state students than Stable or Declining colleges, suggesting that for this particular sector, the composition of one's student recruitment pool uniquely impacts enrollment efforts. Given that previous research found a positive relationship between a primarily national drawing market and enrollment growth

(Hilpert, 1987; Zammuto, 1983), this finding merits further study.

Fifth, and finally, the CCC schools appear to have very limited, and in some cases, clearly inadequate, financial resource bases. While there are important differences across the sector, and while many CCC schools do appear to be making some positive gains on several of the measures presented in this chapter, one is nevertheless left with the sense that the sector as a whole emerged from the 1980s in a profoundly weakened financial state. For example, in 1991 no CCC school met the minimum threshold for the ratio of expendable fund balances to plant debt. And only a handful of the schools met the minimum threshold for the ratio of total assets to total liabilities. Moreover, other measures suggest that even at those schools experiencing significant enrollment growth, expenses are outpacing revenues. All things considered, the current state of the sector as a whole appears at best to be "fragilly stable." In the next section of this chapter, findings related to strategy usage will be presented and discussed. This chapter concludes with a summary of the most important findings.

Research Question 2: What Specific Management Strategies Were Used By the Christian College Coalition Schools During the Period 1981 to 1991?

To address the second research question, descriptive statistics were used to determine a rate of usage in the aggregate for each management strategy as well as a rate of usage for each strategy for the three institutional groups, Improving, Stable, and Declining colleges. The results of this analysis are described in the next section. A complete list of the 220 strategies can be found in Appendix 6.

Overall Strategy Usage: Aggregate Means

Table 23 lists the 25 strategies (11%) receiving a mean score greater than 4.0 (designates usage "to a great extent"). Of these, nine items relate to institutional mission (C2, C21, C3, C1, C55, C9, C5, C44, C10): college is appropriately Christian in character, trustees support mission, mission has been reaffirmed, college operates with liberal arts mission, academic programs reflect mission, college has distinctive purpose to fulfill, mission is referred to in major decision-making and in program development, and people share a common definition of mission. Perhaps this is not surprising, given that the sample population consists only of small Christian liberal arts colleges, institutions which tend to be fairly focused in mission and purpose. However, the strength of agreement around these items raises some question about previously

TABLE 23

STRATEGIES EMPLOYED WITH HIGHEST FREQUENCY IN AGGREGATE

Item #	Description	Aggregate Mean	Standard Deviation
C2	The college is appropriately Christian in its character	4.781	0.417
C22	Adversarial relations do not exist between administration and trustees	4.708	0.551
C21	The trustees are generally supportive of the mission of this college	4.646	0.543
C25	The trustees are not primarily involved in minutia and detail	4.615	0.578
C26	The trustees do not occasionally override the decisions made by senior administrators	4.600	0.553
C35	This campus is concerned with providing students with a high quality educational experience	4.578	0.638
E23	Visits to campus by prospective students and their families	4.531	0.616
C3	The mission statement has been reaffirmed	4.508	0.664
C1	The college operates with a liberal arts mission	4.385	0.630
C16	Conflict is not increasing within this institution	4.385	0.842
C34	The senior administration demonstrates concern for the individual welfare of students and each other	4.375	0.678
C55	The academic programs offered here reflect the mission of the college	4.375	0.519
E35	Toll free lines to the admissions office	4.359	0.897
C33	This college places emphasis on serving students	4.359	0.698
S1	Expanded recruitment efforts	4.277	0.696

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 23 - CONTINUED

Item #	Description	Aggregate Mean	Standard Deviation
C32	Faculty and administrators demonstrate concern for the individual welfare of students and each other	4.250	0.713
S3	Efforts to increase gifts/grants from benefactors	4.185	0.827
C9	There is a general sense that this college has a distinctive purpose to fulfill	4.138	0.659
C5	The mission statement is referred to for guidance in major decision-making	4.077	0.756
C44	The mission statement is referred to for guidance in the development and implementation of academic programs	4.047	0.653
C53	Adversarial administrative/faculty relations do not exist at this college	4.047	0.653
C10	People associated with this college share a common definition of its mission	4.031	0.661
F37	Fundraising in the annual gifts area	4.016	0.833
F38	Fundraising in the major gifts area	4.011	0.861

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

conducted research (Carter, 1985; Finkelstein, Farrar, & Pfinster, 1984) which suggests that in order to survive in today's increasingly competitive marketplace, many small liberal arts colleges are recasting their missions in favor of a more professional orientation and curricula.

Of the remaining items receiving high frequency marks, eight relate to an attitude that is difficult to define or measure but that can perhaps be best described as having to do with the "relational tone or culture of the campus." For example, the strong agreement around items C22 (adversarial relations do not exist between administration and trustees), C26 (trustees do not occasionally override administrative decision making), C35 (campus is concerned with providing students with high quality educational experience), C16 (conflict is not increasing within institution), C34 (administration demonstrates concern for individual welfare of students and for each other), C33 (college places emphasis on serving students), C32 (faculty and administration demonstrates concern for students and each other), and C53 (adversarial faculty and administrator relations do not exist) seems to indicate that on many of these campuses, priority is given to serving students, and that there is an atmosphere of care and concern that permeates the campus. In general, these colleges appear to place considerable emphasis on the nurturing of relationships between students and faculty/staff, between

trustees and administration, and between faculty and administration.

Six of the remaining most frequently used items are specific management strategies and pertain to recruitment and development efforts (E23, E35, F37, F38). As these data show, prospective student campus visits, toll-free admissions lines, general recruitment and fund-raising efforts, annual giving and major gifts cultivation are all areas receiving increased attention at the CCC schools over the past decade.

Of the 220 survey items, 100 (45%) received a mean score greater than 3.0 (designates usage "to some extent") and less than 4.0. These items reflect a combination of specific admissions, fund-raising, strategic planning, program development, and financial management efforts. In particular, a large number of the traditional admissions strategies can be found at the lower end of this range, i.e., 3.0 - 3.5 (e.g., use of promotional films, phoning programs, etc.). A number of additional items relating to the relational tone of the campus can be found in this range (e.g., resource decisions are not made autocratically, faculty/administrator cooperation is fostered, changes are made to improve campus climate, morale is increasing on the campus, etc.) providing further support for the notion that this is an area of emphasis for many of the CCC schools. Concern for the student experience is also evident in the

changes many of these schools have made to improve various student services (retention programs, religious life programs, summer advising and registration, student development programs, athletic programs, academic support services, academic advising and career planning programs).

Sixty-five items (30%) received a mean score greater than 2.0 (designates usage "to a small extent") and less than 3.0. Most of the items pertaining to enrollment and marketing planning and research are located in this range, suggesting that many of the CCC schools are relying more on traditional admissions strategies as opposed to the sophisticated research and marketing analysis tools which have surfaced in recent years.

Of the remaining survey items, 30 (14%) received a mean score greater than 1.0 (designates usage "not at all") and less than 2.0 (see Table 24). Of these, 21 items are financial retrenchment-type strategies (e.g., salary freeze, program elimination, etc.), while four pertain to strategies which would change the mission of the institution. Given the emphasis these schools apparently place on relationship nurturing, it is not surprising that there might be some reluctance to employ measures which could create considerable strife and tension on the campus. The strong agreement around the mission-detracting items lends further credence to the idea that, in spite of a changing student

TABLE 24

STRATEGIES EMPLOYED WITH LOWEST FREQUENCY IN AGGREGATE

Item #	Description	Aggregate Mean	Standard Deviation
C49	A new mission defines programs which are outside of Faculty expertise	1.234	0.611
F28	Retraining faculty in low demand areas to fill staff positions	1.238	0.465
F11	Decreasing fees (other than tuition)	1.317	0.779
P8	Increased faculty teaching loads	1.328	0.644
C50	New undergraduate majors/programs have changed mission of college	1.359	0.675
E36	Advertisements on billboards or transit bus/subways	1.365	0.938
S23	Cut back athletic programs	1.369	0.762
F1	Reduction of academic programs through across-the board cuts	1.413	0.663
F22	Retraining faculty from low demand areas to high demand areas	1.556	0.642
F3	Reduction of non-academic programs through across-the-board cuts	1.571	0.797
C47	Graduate level courses/programs have changed mission of college	1.578	0.832
F6	Reduction of professional staff through natural attrition	1.587	0.733
F7	Dismissal of non-tenured faculty in low student demand areas	1.603	0.708
F5	Reduction of faculty size through natural attrition	1.619	0.771
E17	Recruitment of weekend students	1.635	1.112
F27	Elimination of professional staff positions	1.714	0.751
F25	Merger of co-curricular services and programs	1.714	0.705

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 24 - CONTINUED

Item #	Description	Aggregate Mean	Standard Deviation
F23	Negotiation of early retirement with senior staff or faculty	1.730	0.902
F24	Merger of departments and programs	1.794	0.744
E39	Ads in high school newspapers	1.825	0.959
P9	Increased faculty/student ratio	1.828	0.788
F15	Faculty/staff salary freeze	1.841	1.153
E10	Data provided by the College Board Enrollment Planning Service	1.873	0.813
F20	Elimination of unprofitable academic programs	1.905	0.856
F21	Elimination of unprofitable non-academic programs	1.937	0.965

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

population, the CCC schools have generally not strayed very far from their original missions.

In general, those items receiving the stronger usage ratings pertain to attitudes and strategies which might be characterized as mission and campus culture-affirming, while those items receiving lower usage scores might be characterized as mission and campus-culture detracting. Specifically, and as noted earlier, one finds at the upper end of the range strategies and attitudes reflecting a reinforcement of the Christian liberal arts mission of these schools. At the same time, one finds at the lower end of the range items which could potentially detract from this mission such as a change in student profile, (i.e., recruitment of adult, international, weekend students), as well as a change in programmatic emphasis of the institution, (i.e., off-campus programs, expanded course schedule, graduate program/course expansion, cooperative programs with other institutions, adult-accelerated degree completion offerings, business and industry partnerships, and new undergraduate programs and/or changes in required courses resulting in changed mission). One also finds nearly all of the hard-core financial retrenchment strategies at the lowest end of the range.

A slightly different way of looking at these data can be found in Table 25. This table shows, in rank order, those items on which the majority of the respondents

TABLE 25

STRATEGIES EMPLOYED WITH HIGHEST AND LOWEST FREQUENCY
BY MAJORITY OF INSTITUTIONS IN AGGREGATE

Item #	% Rating 4.0 or Greater	Description
C2	100%	The college is appropriately Christian in its character
C55	98.5%	The academic programs offered here reflect the mission of the institution
C22	98.4%	Adversarial relations do not exist between the administration and trustees
C25	98.4%	The trustees are not primarily involved in minutia and day-to-day details
C21	96.9%	The trustees are generally supportive of the mission of this college
C26	96.9%	The trustees do not occasionally override the decisions made by senior administrators
C35	95.4%	This campus is concerned with providing students with a high quality educational experience
C3	93.9%	The mission statement has been reaffirmed
E23	93.8%	Increased emphasis on visits to campus by prospective students and/or their families
C1	92.4%	The college operates with a liberal arts mission

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 25 - CONTINUED

Item #	% Rating 2.0 or Lower	Description
F13	97.0%	Decreasing tuition levels
C51	90.6%	Changes in required courses have changed the mission of this college
F14	90.5%	Faculty/Staff salary reductions
F8	88.9%	Dismissal of tenured faculty in low student demand areas
F9	88.9%	Dismissal of non-tenured faculty in high student demand areas
C49	84.4%	A new mission defines programs which are outside of faculty expertise
E36	84.1%	Advertisements on billboards or transit bus/subways, etc.
F11	82.5%	Decreasing fees (other than tuition)
F28	77.8%	Retraining faculty in low demand areas to fill staff positions
P8	75.0%	Increased faculty teaching loads
S23	75.4%	Cut back athletic programs

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

indicated high and low rates of usage (rated by at least 75% of the responding institutions). Of the top ten items receiving a usage rating of 4.0 or greater by 92% and more of the institutions, six are mission-affirming statements or strategies, two relate to trustee-college relations, and one is a specific admissions strategy (increased emphasis on campus visits). Of the 11 items receiving a usage rating of 2.0 or lower by 75% and more of the institutions, eight are financial retrenchment strategies, two are mission-detracting statements or strategies, and one is a specific admissions strategy (advertising on billboards and mass transit).

Strategy Usage by Improving, Stable, Declining Groups

In the next step of analysis, means were determined for each of the 220 strategy items within the Improving, Stable, and Declining groups. Tables 26 to 35 compare the means of selected items across groups with the aggregate mean discussed above. The items selected for discussion here are those whose mean scores show the greatest difference between groups, or whose scores either confirm or contradict previously conducted research. The frequency with which an item was used within the group indicates its significance to that particular group. For many of the items, little difference is apparent between the three groups. However, on several items, there are moderate to large differences which are discussed in the following section. The complete

table of compared means can be found in Appendix 7.

As noted in Chapter II, research suggests that successful colleges generally, and successful "turn-a-round" colleges specifically, consistently exhibit a strong institutional commitment to mission and purpose (described by some authors as a "strategic vision") . Indeed, in research conducted across various institutional types using a range of methodology, this finding emerges again and again. And while all of the CCC schools indicate strong agreement around mission-affirming statements and strategies, the Improving colleges in this study appear to exhibit a somewhat stronger commitment to mission and purpose than the Stable or Declining colleges. As shown in Table 26, the Improving college group shows slightly higher ratings on nearly all of the survey items related to institutional mission and purpose. In particular, it appears that for this group of colleges, institutional mission is something more than just a statement on a piece of paper. As evident by the strong ratings on items C5, C55, and C44, mission guides strategy and appears to serve as a guiding force for the implementation of a wide range of activities.

Research cited in Chapter II suggests several other factors commonly associated with successful colleges. For example, Peck (1984), Mingel and Norris (1981), and Cameron (1986) all cite findings supporting the notion that

TABLE 26

MISSION-RELATED STRATEGIES AND STATEMENTS

Item #	Description	Means and Standard Deviations by Groups							
		Improving		Stable		Declining		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
C21	The trustees are generally supportive of the mission of this college	4.760	0.435	4.550	0.615	4.590	0.591	4.646	0.543
C1	The college operates with a liberal art mission	4.520	0.589	4.330	0.686	4.270	0.631	4.385	0.629
C55	The academic programs offered here reflect the mission of the institution	4.410	0.503	4.330	0.485	4.360	0.581	4.375	0.416
C9	There is a general sense that this college has a distinctive purpose to fulfill	4.200	0.645	4.050	0.725	4.130	0.639	4.138	0.666
C5	The mission statement is referred to for guidance in major decision-making	4.200	0.816	4.050	0.639	3.950	0.785	4.077	0.761

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 26 - CONTINUED

Item #	Description	Means and Standard Deviations by Groups							
		Improving		Stable		Declining		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
C44	The mission statement is referred to for guidance in the development and implementation of academic programs	4.120	0.741	4.000	0.686	4.000	0.534	4.047	0.661
C11	Those who make a personal or financial investment in this institution believe that they receive an ample return	3.960	0.675	3.770	0.427	3.770	0.612	3.846	0.595
C6	There is an effective means of conveying the college's mission to the public	3.800	0.912	3.610	0.777	3.500	0.801	3.646	0.841
C8	This college has a special identity unlike any other in higher education	3.520	1.010	3.167	1.150	3.360	1.002	3.369	1.046
C4	The mission statement has been revised	3.400	1.440	2.380	1.240	3.180	1.330	3.046	1.353

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

activities aimed at enhancing organizational effectiveness, generally, and improving the quality of student life, specifically, contribute significantly to successful college management. Again, while all of the CCC schools appear to place value on the student experience, the Improving colleges place slightly more emphasis on this dimension. As shown in Table 27, the Improving colleges report stronger affirmation of a number of campus culture enhancing statements: an intent to provide students with a high quality experience, an environment with little to no conflict, an intent on the part of senior administration and faculty to demonstrate concern for each other and for individual students, an emphasis on serving students, a desire to improve the campus climate, and so on.

The Improving colleges also report stronger ratings for changes made to improve the quality of the student experience (e.g., religious life programs, student development programs, academic support services, summer orientation program). In general, Improving and Stable colleges report higher ratings than the Declining colleges for specific changes made to improve student life on campus.

Other factors found to be commonly associated with effective organizations include such things as changing programs to meet current trends, developing and maintaining a strategic vision, nurturing innovation and creativity, expanding the core domain (i.e., "doing the right things

TABLE 27

CAMPUS CULTURE-AFFIRMING STRATEGIES

Item #	Campus Culture-Affirming Strategy Description	Means and Standard Deviations by Groups							
		Improving		Stable		Declining		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
C35	This campus is concerned with providing students with a high quality educational experience	4.700	0.464	4.500	0.857	4.500	0.597	4.578	0.639
C34	The senior administration demonstrates concern for the individual welfare of students and each other	4.500	0.589	4.380	0.697	4.220	0.751	4.375	0.679
C16	Conflict is not increasing within this institution	4.480	0.714	4.389	0.916	4.270	0.935	4.385	0.851
C33	This college places emphasis on serving students	4.370	0.646	4.330	0.686	4.360	0.789	4.359	0.709
C32	Faculty and administrators demonstrate concern for the individual welfare of students and each other	4.290	0.691	4.270	0.669	4.180	0.795	4.250	0.722

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 27 - CONTINUED

Item #	Campus Culture-Affirming Strategy Description	Means and Standard Deviations by Groups							
		Improving		Stable		Declining		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
C15	Senior administrators have high credibility	3.840	0.688	3.720	1.070	3.630	0.789	3.738	0.843
P25	Made changes to improve the campus climate	3.700	0.551	3.440	0.855	3.540	0.857	3.578	0.755
C27	The trustees of this institution have high credibility	3.560	0.821	3.270	0.669	3.540	0.911	3.477	0.815
C38	When cutbacks occur they are done on a prioritized basis	3.540	1.140	3.260	0.883	3.420	0.811	3.433	0.973
P11	Enhanced faculty development program(s)	3.167	0.916	3.110	0.963	3.000	1.190	3.094	1.030
S16	Improved campus information systems	3.640	0.811	3.110	1.020	3.500	0.859	3.446	0.889

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 27 - CONTINUED

Item #	Student Experience-Improving Strategy Description	Means and Standard Deviations by Groups							
		Improving		Stable		Declining		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
P23	Made changes to improve religious life programs	3.750	0.794	3.160	0.785	3.400	0.854	3.469	0.813
P23	Made changes to improve religious life programs	3.750	0.794	3.160	0.785	3.400	0.854	3.469	0.813
P24	Made changes to improve student development	3.580	0.503	3.160	0.707	3.310	0.779	3.375	0.667
E54	Summer advising and registration for new students	3.500	0.121	3.440	0.124	3.310	0.995	3.422	1.150
P18	Strengthened academic support services	3.500	0.834	2.940	0.105	3.040	0.785	3.188	0.886
P21	Made changes to improve academic advising program/system	3.250	0.737	3.220	0.942	2.810	0.732	3.094	0.798
P22	Made changes to improve career planning/ placement programs	3.250	0.847	3.389	0.916	2.630	0.847	3.078	0.867
P20	Added extended orientation program/course	3.120	1.110	3.167	0.985	2.540	0.911	2.938	1.010
E53	Summer orientation program for new students	3.000	1.250	2.770	1.430	2.310	1.280	2.703	1.310

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

versus doing things right"), using strategies designed to enhance revenue versus decrease expenses, enhancing academic reputation, and maintaining a significant external focus. Again, it is interesting to note that the Improving colleges report stronger usage of several items related to each of the above factors than do either the Stable or Declining colleges. As shown in Table 28, these items range from developing and implementing a strategic plan to revising the mission statement to strengthening relations with the sponsoring church to initiating truly innovative programs.

A distinction has been made in the college survival research between an operational and a strategic approach to management. While the latter refers to the kind of strategic emphasis noted earlier, i.e., "doing the right thing" (expanding one's domain, maintaining a strategic vision, external focus, and an effectiveness-orientation), an operational approach mindset is much more conservative in nature and tends to focus on "doing things right" (strengthening the budgeting process, improving efficiency, avoiding risks, and conserving resources). As noted in Chapter II, several researchers cite findings suggesting that an operational approach, if employed exclusively, can be detrimental to institutions facing decline. Instead, in the studies cited, the most effective colleges took risks, acted proactively and concentrated almost exclusively on

TABLE 28

STRATEGIC - RESPONSE STRATEGIES

Item #	Description	Means and Standard Deviations by Groups							
		Improving		Stable		Declining		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
	<u>Strategic Vision - Developing Strategies</u>								
S19	Developed and implemented strategic plan	3.920	0.954	3.660	0.970	3.500	1.263	3.708	1.073
S24	Increased emphasis on strategic planning	3.800	1.000	3.270	1.179	3.630	1.049	3.600	1.068
C18	This institution tends to do more of what it does well, to expand in areas where we have expertise	3.600	0.764	3.330	0.840	3.360	0.789	3.446	0.794
C8	This college has a special identity, unlike any other in higher education	3.520	1.000	3.167	1.150	3.360	1.000	3.369	1.046
C4	The mission statement has been revised	3.400	1.443	2.380	1.243	3.180	1.332	3.046	1.353
C9	There is a general sense that this college has a distinctive purpose to fulfill	4.200	0.645	4.050	0.725	4.130	0.640	4.138	0.664
	<u>Expansionary Strategies</u>								
F48	Constructed or bought additional physical plant	3.880	1.054	3.350	1.222	3.190	1.289	3.508	1.181

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 28 - CONTINUED

Item #	Description	Means and Standard Deviations by Groups							
		Improving		Stable		Declining		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
	<u>Innovation - Nurturing Strategies</u>								
C7	A spirit of entrepreneurship is encouraged and innovative ideas rewarded	3.520	1.046	3.110	0.832	3.270	0.767	3.323	0.901
P5	Development of new on-campus programs to serve new markets	3.410	0.775	3.167	1.098	3.310	1.170	3.313	1.017
C13	Innovative activity is increasing	3.440	0.768	3.110	0.832	3.400	0.734	3.338	0.775
C19	This college established new domains of activity	3.400	1.041	2.780	0.943	2.810	0.795	3.031	0.937
P17	Initiated truly innovative programs	2.790	1.021	2.610	0.850	2.630	1.049	2.688	0.986
P12	Expanded course offering day/times	2.910	1.100	2.500	0.985	2.220	1.192	2.563	1.103
	<u>Revenue-Enhancing Strategies</u>								
S1	Expanded recruitment efforts	4.440	0.712	4.110	0.676	4.220	0.685	4.277	0.693
E16	Recruitment efforts: part-time students	4.080	0.900	3.610	1.145	3.680	1.323	3.810	1.132
F39	Direct mail solicitation	3.600	0.764	3.170	0.883	3.420	1.207	3.429	0.963
E15	Special programs: high ability students	3.170	1.114	2.950	1.110	2.540	1.184	2.889	1.138

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 28 - CONTINUED

Item #	Description	Means and Standard Deviations by Groups							
		Improving		Stable		Declining		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
	<u>Program Revision Strategies</u>								
C54	Increased sensitivity to market demands for relevant coursework	3.500	0.834	3.110	0.583	3.180	0.733	3.281	0.736
P15	Added adult degree completion program	3.330	1.494	2.830	1.723	3.000	1.512	2.078	1.567
	<u>External Cultivation Strategies</u>								
S4	Increased president's public efforts	4.160	0.850	3.830	1.043	3.720	1.032	3.923	0.969
F36	Increased fundraising with trustees	4.000	0.866	3.640	0.862	3.660	1.111	3.794	0.953
F30	Increased fundraising with alumni	3.960	0.735	3.820	0.636	3.710	0.902	3.841	0.771
S14	Strengthened public relations function	3.680	0.627	3.330	0.767	3.590	0.854	3.554	0.749
C17	Senior administrators place emphasis upon educating outsiders about college's value	3.680	0.945	3.167	0.786	3.590	0.959	3.508	0.909
F32	Increased fundraising: private foundations	3.560	1.193	3.170	1.185	3.280	1.007	3.365	1.132
F31	Increased fundraising: business/industry	3.440	1.121	3.050	1.144	3.380	0.973	3.317	1.080
S8	Strengthened community support	3.320	0.900	2.880	0.900	3.270	0.827	3.185	0.876
S10	Strengthened relations with sponsoring church	3.320	1.180	2.830	1.200	3.130	1.283	3.123	1.222

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

expanding their boundaries and enhancing their effectiveness.

Given these findings, it is interesting to note the kind of strategy employed most frequently by the Declining colleges. As shown in Tables 29, 30, and 31, these items can be grouped into three basic categories. The first relates to financial and budgeting concerns. Perhaps not surprisingly, the Declining colleges report higher usage ratings than the Stable or Declining colleges on twenty-six of the financial retrenchment-type items found in the survey. Most of these items relate to resource conservation efforts and include such things as improved budgeting and cost-control systems, program reduction measures, and elimination of faculty and staff positions (see Table 29). The specific items on which the Declining institutions report significantly higher usage ratings include reducing non-academic and academic programs through selective and across-the-board cuts, merging programs and departments, reducing faculty and staff positions, cutting back athletic programs, increasing faculty/student ratio, and negotiating early retirement agreements with faculty and staff.

TABLE 29

OPERATIONAL - RESPONSE STRATEGIES

Item #	Description	Means and Standard Deviations by Groups							
		Improving		Stable		Declining		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
S17	Improved budgeting and cost-control systems	3.480	1.091	3.050	0.857	3.680	1.152	3.431	1.054
S22	Released less competent administrators	2.760	1.128	2.440	1.149	2.810	1.181	2.692	1.152
F16	Deferring maintenance and repair funding	2.720	1.208	2.820	1.015	3.000	1.225	2.841	1.166
P4	Reallocation of funds from low student demand area to high student demand area	2.540	0.779	2.668	0.840	3.000	0.816	2.734	0.809
F47	Deliberate attempts to use gift money to reduce reliance on tuition income	2.440	1.003	2.640	1.115	2.950	1.161	2.668	1.088
F17	Decreasing equipment funding	2.440	1.083	2.580	1.223	2.950	1.112	2.651	1.134
F19	Development of contingency retrenchment plan	2.120	0.971	1.880	0.857	2.280	0.845	2.111	0.901
F4	Reduction of non-academic programs through selective cuts	1.960	0.676	2.050	0.899	2.520	0.680	2.175	0.743
P19	Use of part-time faculty in administrative positions	1.950	0.971	1.940	0.857	2.090	0.845	2.000	0.901

Rating Scale: 1 - Not at all

3 - To some extent

5 - To a great extent

TABLE 29 - CONTINUED

Item #	Description	Means and Standard Deviations by Groups							
		Improving		Stable		Declining		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
F15	Faculty/staff salary freeze	1.840	1.344	1.640	0.931	2.000	1.095	1.841	1.164
P9	Increased faculty/student ratio	1.830	0.816	1.500	0.514	2.090	0.868	1.828	0.764
F2	Reduction of academic programs through selective cuts	1.800	0.764	2.000	0.791	2.667	0.483	2.143	0.691
F21	Elimination of unprofitable non-academic academic programs	1.800	1.000	1.640	0.702	2.330	1.016	1.937	0.936
F20	Elimination of unprofitable academic programs	1.760	0.879	1.820	0.636	2.140	0.964	1.905	0.852
F24	Merger of departments and programs	1.560	0.768	1.760	0.562	2.090	0.768	1.794	0.719
F23	Negotiation of early retirement with senior staff or faculty members	1.520	0.963	1.529	0.624	2.140	0.910	1.730	0.866
F7	Dismissal of non-tenured faculty in low student demand areas	1.440	0.583	1.520	0.717	1.850	0.793	1.603	0.695
F27	Elimination of professional staff positions	1.360	0.490	1.700	0.772	2.140	0.793	1.714	0.681
P8	Increased faculty teaching loads	1.330	0.637	1.220	0.732	1.400	0.590	1.328	0.65

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 29 - CONTINUED

Item #	Description	Means and Standard Deviations by Groups							
		Improving		Stable		Declining		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
F5	Reduction of faculty size through natural attrition (death, retirement, etc.)	1.320	0.627	1.580	0.618	2.000	0.894	1.619	0.725
F6	Reduction of professional staff through attrition (death, retirement, etc.)	1.320	0.557	1.520	0.624	1.950	0.865	1.587	0.691
S23	Cut back athletic programs	1.280	0.614	1.110	0.323	1.680	1.041	1.369	0.736
F3	Reduction of non-academic programs through across-the-board cuts	1.240	0.436	1.520	0.700	2.000	0.949	1.571	0.739
F1	Reduction of academic programs through across-the-board cuts	1.200	0.408	1.350	0.606	1.710	0.845	1.413	0.635
F14	Faculty/staff salary reductions	1.080	0.277	1.000	0.000	1.330	0.913	1.143	0.555
F8	Dismissal of tenured faculty in low student demand areas	1.080	0.277	1.170	0.529	1.230	0.625	1.159	0.485

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

The second category relates to enrollment planning and research efforts (see Table 30). This category consists of nearly all of the survey items related to planning and research strategies including such things as recruitment planning activities, market research activities, and retention planning and research tactics. Again, the Declining colleges report higher usage than Stable or Improving colleges on twenty of these items. Survey items on which the Declining colleges report significantly higher usage ratings include the development of formal, written retention plans, targeted recruitment activities which are segmented by markets, market research studies of prospective student markets, comparative profiles of enrolled freshman, and summary reports of enrolled student yield and undergraduate retention by market. It is quite plausible that given the enrollment decline experienced by these schools over the past decade, that more emphasis is being given to figuring out what went wrong and how to get back on track. It is quite reasonable that schools with such a focus might want to undergird their recruiting efforts with a strong information and research base.

TABLE 30

PLANNING AND RESEARCH STRATEGIES

Item #	Description	Means and Standard Deviations by Groups							
		Declining		Improving		Stable		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
E12	Annual evaluation of recruitment program	3.950	0.816	3.830	0.707	3.830	0.722	3.875	0.755
C30	Necessary information for enrollment related decisions is readily available within this college	3.630	0.875	3.620	0.856	3.550	0.848	3.609	0.860
E63	Targeted recruitment activities segmented by primary, secondary, and tertiary markets	3.950	1.021	3.450	1.023	3.110	0.898	3.531	0.981
E65	Development of formal, written recruitment plan	3.900	1.007	3.330	1.029	3.330	0.750	3.531	0.933
E13	Annual evaluation of retention program	3.360	0.868	3.330	0.985	3.160	0.727	3.297	0.858
E42	Utilization of the College Entrance Examination Board, ACT, or other student searches/ mailing lists	3.500	1.367	3.040	0.943	2.770	1.102	3.125	1.170

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 30 - CONTINUED

Item #	Description	Means and Standard Deviations by Groups							
		Declining		Improving		Stable		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
E1	Demographic profiles of high school seniors within region of greatest employment	3.180	1.224	3.040	1.339	2.500	0.853	2.937	1.145
E2	Market research studies of prospective student markets	3.180	0.869	2.860	0.857	2.500	0.853	2.873	0.860
E8	Market research studies of withdrawn student attitudes and perceptions	2.900	1.072	2.820	0.922	2.550	0.750	2.778	0.927
E6	Systematic procedures for monitoring freshmen persistence	3.090	1.166	2.780	1.138	3.000	0.868	2.952	1.062
E7	Market research studies of currently enrolled student attitudes and perceptions	3.130	0.926	2.690	0.970	2.660	0.889	2.841	0.926
E4	Summary reports of yield of enrolled students by characteristic and academic ability	3.540	0.947	2.520	1.043	2.830	1.224	2.968	1.078
F42	Use of marketing research to develop new sources of financial support	2.667	0.963	2.480	0.951	2.170	1.155	2.460	1.028

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 30 - CONTINUED

Item #	Description	Means and Standard Deviations by Groups							
		Declining		Improving		Stable		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
E5	Summary reports of undergraduate retention by student and program characteristic	3.310	1.033	2.390	1.074	2.720	0.839	2.810	0.982
E11	Data provided by the ACT Enrollment Information Services	2.500	0.998	2.210	0.958	1.720	1.102	2.175	1.025
E9	Forecasts of course/staff requirements based on appropriate test populations and freshmen course registration	2.310	1.072	2.170	1.098	2.160	1.086	2.222	1.085
E66	Development of formal, written retention plan	2.860	0.868	2.160	1.123	2.270	0.833	2.438	0.937
F19	Development of contingency retrenchment plan	2.280	0.971	2.120	0.857	1.880	0.845	2.111	0.901
E56	Follow-up studies conducted with prospects who fail to apply (surveys, phone calls, etc.)	2.500	0.850	1.870	0.857	2.160	1.058	2.172	0.929
E10	Data provided by the College Board Enrollment Planning Service	2.090	0.834	1.820	0.84	1.660	0.750	1.873	0.807

Rating Scale: 1 - Not at all

3 - To some extent

5 - To a great extent

The third category consists of specific admissions and retention strategies (see Table 31). It is interesting to note that the Declining colleges are higher than the Stable and Improving colleges on thirty-eight of the survey items related to this category. In light of their deteriorating conditions, it is hardly surprising that the Declining colleges are working very hard to stabilize enrollments. Not surprisingly, Declining colleges used a number of recruitment and retention strategies to a greater extent than the Stable or Improving colleges including such things as: increasing written communication to prospective students and parents, hiring a consultant for recruitment or retention-related reasons, appointing a chief retention officer, developing a formal, written retention plan, increasing advertising and promotional efforts, and recruiting non-traditional students. Clearly, the Declining colleges, with their intensive focus on getting and keeping students, appear to view student enrollment as a critical aid for strengthening their financial positions.

TABLE 31

SPECIFIC RECRUITMENT AND RETENTION STRATEGIES

Item #	Description	Means and Standard Deviations by Groups							
		Declining		Improving		Stable		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
E31	Direct mailings to prospective students	4.270	1.247	3.950	1.122	3.440	0.767	3.922	1.054
C29	Enrollment concerns have become a priority across the campus	4.090	0.900	3.830	1.007	3.880	0.610	3.938	0.858
S11	Creative efforts to meet student needs	4.040	0.752	3.680	0.748	3.720	0.785	3.185	0.762
E25	Visits to campus by church personnel (pastors, youth workers, youth groups, etc.)	3.720	1.085	3.580	0.880	3.660	0.883	3.656	0.943
C31	Formal lines of communication have been simplified to increase the flow of information among people in offices influence enrollment	3.950	0.922	3.450	0.833	3.440	0.898	3.625	0.881

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 31 - CONTINUED

Item #	Description	Means and Standard Deviations by Groups							
		Declining		Improving		Stable		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
E63	Targeted recruitment activities segmented by primary, secondary, and tertiary markets	3.950	1.023	3.450	1.021	3.110	0.898	3.531	0.981
E41	Promotional films, videotapes, cassettes, etc.	3.680	0.963	3.290	1.160	3.110	1.170	3.375	1.113
E40	Advertisements in magazines/journals	3.400	1.074	3.200	0.931	3.270	0.908	3.297	0.966
E27	Home visits with prospective students and/or their families	3.220	1.455	3.130	1.140	3.000	0.922	3.127	1.172
E19	Recruitment of minority students	3.400	0.826	3.080	0.996	3.270	0.734	3.254	0.864
E32	Telephone calls by faculty to prospective students	3.360	0.808	3.080	0.880	3.220	0.953	3.219	0.887
E58	Separate orientation program for parents	3.270	0.963	3.080	1.100	3.110	1.077	3.156	1.056
E61	Attempts to increase student participation in student government, residence life and other campus activities	3.220	1.335	3.000	1.319	2.610	0.752	2.969	1.160

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 31 - CONTINUED

Item #	Description	Means and Standard Deviations by Groups							
		Declining		Improving		Stable		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
E24	Visits to campus by high school personnel (counselors, teachers, etc.)	3.180	0.698	2.870	0.900	2.610	1.006	2.906	0.889
E59	Communication with parents of prospective students (newsletter, brochure, special mailings, etc.)	2.500	0.963	2.210	1.073	1.720	0.853	2.175	0.971
E64	Utilization of consultants to assist in recruitment and/or retention efforts	3.000	1.248	2.410	1.248	2.500	1.113	2.641	1.203
E37	Advertisements on radio or television	2.450	0.850	2.390	1.270	2.380	1.143	2.413	1.120
E60	An administrator specifically responsible for monitoring attrition and developing retention programs	2.540	0.725	2.250	0.944	1.940	1.143	2.266	0.966
E30	Displays, booths in central or public locations (malls, etc.)	2.360	1.003	1.750	0.897	2.220	1.049	2.094	0.981
E17	Recruitment of weekend students	1.860	0.856	1.470	0.994	1.550	1.390	1.635	1.116

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

Some of the most interesting data in this study are displayed in Table 32. Here one sees that the Improving and Declining colleges are very similar in their employment of several strategies over the past decade. In fact, the Improving and Declining colleges look considerably more similar in their overall usage of strategy than do the Improving and Stable or the Declining and Stable college groups. This contradicts previous research (Smart, 1989) which suggests that Stable and Declining colleges tend to be most similar, that the organizational dysfunctions commonly associated with decline are also characteristic of non-growing institutions, and that the real distinction should be made between growth (Improving) and non-growth (Stable and Declining). Possible explanations for this contradictory finding will be discussed in Chapter V.

As shown in Table 32, the strategies for which Declining and Improving colleges both indicate strong usage include a mix of strategic and operational approach items such as recruitment activities, resource conservation strategies, public relations-enhancing efforts, and organizational restructuring efforts. Indeed, the Declining colleges appear to employ a more strategic approach overall than the Stable colleges and to look very similar to the Improving colleges in their employment of selected strategies over the past decade. However, the key difference between the Declining and Improving colleges

TABLE 32

STRATEGIES FOR WHICH IMPROVING AND DECLINING
COLLEGES REPORT HIGHER USAGE THAN STABLE COLLEGES

Item #	Description	Means and Standard Deviations by Groups							
		Improving		Declining		Stable		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
C24	The trustees are primarily involved in broad policy issues	4.160	0.554	4.000	0.857	3.500	0.873	3.923	0.760
E34	Telephone calls by current students to prospective students	4.080	0.880	4.040	0.840	3.670	0.999	3.953	0.912
E31	Direct mailings to prospective students	3.950	1.122	4.270	1.247	3.440	0.767	3.922	1.054
C52	The faculty at this college are involved in ongoing program review and revision	3.950	0.806	3.950	1.029	3.667	0.898	3.875	0.905
E46	Coaches, other activity directors (e.g., band/choir directors, etc.)	3.910	1.018	3.810	1.043	3.500	0.795	3.766	0.955
E45	Current students	3.870	0.900	3.860	0.686	3.670	0.889	3.813	0.842
F12	Increasing tuition levels	3.840	0.688	3.850	0.624	3.470	0.793	3.746	0.709
S24	Increased emphasis on strategic planning	3.800	1.000	3.630	1.178	3.270	1.049	3.600	1.068

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 32 - CONTINUED

Item #	Description	Means and Standard Deviations by Groups							
		Improving		Declining		Stable		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
S17	Improved budgeting and cost-control systems	3.760	1.091	3.770	0.857	3.160	1.152	3.600	1.054
S13	Expanded retention efforts	3.720	0.737	3.810	0.907	3.330	0.588	3.646	0.744
F29	Implementation of tighter budget controls	3.680	0.852	3.619	0.883	3.170	0.973	3.524	0.902
S14	Strengthened public relations function	3.680	0.627	3.590	0.767	3.330	0.854	3.554	0.749
C17	Our senior administrators place emphasis upon educating important outsiders about the value of this college	3.680	0.945	3.590	0.786	3.167	0.959	3.508	0.909
S16	Improved campus information systems	3.640	0.810	3.500	1.023	3.110	0.859	3.446	0.889
C27	The trustees of this institution have high credibility	3.560	0.821	3.540	0.669	3.270	0.912	3.477	0.815
S18	Organizational restructuring	3.480	0.872	3.680	1.056	3.050	1.041	3.431	0.983
S20	Hired more competent administrators	3.480	1.193	3.500	0.907	3.000	0.913	3.354	1.029
S15	Strengthened quality and effectiveness of trustees	3.440	0.870	3.500	1.150	3.000	0.912	3.338	0.968
C14	Morale is increasing among members of this institution	3.440	0.768	3.450	0.832	3.160	0.734	3.369	0.775

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 32 - CONTINUED

Item #	Description	Means and Standard Deviations by Groups							
		Improving		Declining		Stable		Aggregate	
		Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
C13	Innovative activity at this college is increasing	3.440	1.075	3.400	1.121	3.110	1.144	3.338	0.973
F31	Business and industry	3.440	0.775	3.380	1.098	3.050	1.170	3.317	1.017
P5	Development of new on-campus programs to serve new clientele/markets	3.410	0.900	3.310	0.900	3.167	0.827	3.313	0.876
S8	Strengthened community program support	3.320	1.208	3.270	1.375	2.880	1.578	3.185	1.385
F34	Sponsoring denomination	3.280	1.041	3.230	1.085	2.520	1.323	3.063	1.155
S9	Efforts to increase gifts/aid from sponsoring church	3.200	1.370	3.310	1.455	2.330	1.396	3.000	1.404
E18	Recruitment of adult students	3.170	1.370	3.040	1.455	2.660	1.396	2.984	1.404
S7	Strengthened community financial support	3.160	0.987	3.180	0.916	2.610	0.907	3.015	0.941
E1	Demographic profiles of high school seniors within region of greatest employment	3.040	1.224	3.180	1.339	2.500	0.853	2.937	1.145
S22	Released less competent administrators	2.760	1.128	2.810	1.149	2.440	1.181	2.692	1.152
E3	Comparative profiles of enrolled freshmen with college-bound in-state freshmen	2.470	1.082	2.400	0.808	1.780	0.666	2.254	0.877
P10	Increased course section sizes	2.200	0.779	2.130	0.732	1.778	0.774	2.063	0.765
F15	Faculty/staff salary freeze	1.840	1.344	2.000	0.931	1.640	1.095	1.841	1.164
P9	Increased faculty/student ratio	1.830	0.816	2.090	0.514	1.500	0.868	1.828	0.764

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

appears to be in the mix of strategies employed: while the Improving colleges employ both approaches, they tend to place more emphasis on strategic approach-type items. On the other hand, the Declining colleges also employ a mix of operational and strategic approach responses but place greater emphasis on operational-type items such as resource conservation efforts. The Stable colleges are higher in strategy usage on only a handful of items, none of which appear to have significance.

Summary of Groups: Improving, Stable and Declining

Tables 33 to 35 list the 15 most frequent and 10 least frequent strategies for the three categories of institutions. A cursory comparison shows that the Improving and Declining colleges have slightly more items above a 4.0 mean than do the Stable colleges (Improving 30; Declining 29; Stable 25), while the Declining colleges have significantly fewer items below a 2.0 mean (Declining 21; Improving 36; Stable 37).

There are only two items in the top five for all groups, college is appropriately Christian in its character (C2) and adversarial relations do not exist between the administration and trustees (C22). Likewise, only one item appears on the top five of least used strategies for the three groups: dismissal of non-tenured faculty in high student demand areas (F9).

TABLE 33

STRATEGIES USED BY IMPROVING COLLEGES:
15 MOST FREQUENT AND 10 LEAST FREQUENT STRATEGIES

Item #	Most Frequently Used Strategy Descriptions	Mean
C2	The college is appropriately Christian in its character	4.830
C21	The trustees are generally supportive of the mission of this college	4.760
C22	Adversarial relations do not exist between the administration and trustees	4.760
C35	This campus is concerned with providing students with a high quality educational experience	4.700
C25	The trustees are not primarily involved in minutia and day-to-day details	4.680
C26	The trustees do not occasionally override the decisions made by senior administrators	4.640
C1	The college operates with a liberal arts mission	4.520
C3	The mission statement has been reaffirmed	4.520
C34	The senior administration demonstrates concern for the individual welfare of students and each other	4.500
E23	Visits to campus by prospective students and/or their families	4.500
C16	Conflict is not increasing within this institution	4.480
S1	Expanded recruitment efforts	4.440
C55	The academic programs offered here reflect the mission of the institution	4.410
C33	This college places emphasis on serving students	4.370
C35	Toll free lines to the admissions office for prospective student use	4.370

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 33 - CONTINUED

Item #	Least Frequently Used Strategy Descriptions	Mean
F6	Reduction of professional staff through natural attrition (death, retirement, etc.) (death, retirement, etc.)	1.320
F28	Retraining faculty in low demand areas to fill staff positions	1.280
S23	Cut back athletic programs	1.280
F3	Reduction of non-academic programs through across-the-board cuts	1.240
F1	Reduction of academic programs through across-the-board cuts	1.200
F9	Dismissal of non-tenured faculty in high student demand areas	1.160
C51	Changes in required courses have changed the mission of this college	1.120
F8	Dismissal of tenured faculty in low student demand areas	1.080
F14	Faculty/staff salary reductions	1.080
F13	Decreasing tuition levels	1.000

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 34

STRATEGIES USED BY STABLE COLLEGES:
15 MOST FREQUENT AND 10 LEAST FREQUENT STRATEGIES

Item #	Most Frequently Used Strategy Descriptions	Mean
C2	The college is appropriately Christian in its character	4.830
C22	Adversarial relations do not exist between the administration and trustees	4.830
C25	The trustees are not primarily involved in minutia and day-to-day details	4.670
C26	The trustees do not occasionally override the decisions made by senior administrators	4.630
E23	Visits to campus by prospective students and/or their families	4.610
C3	The mission statement has been reaffirmed	4.550
C21	The trustees are generally supportive of the mission of this college	4.550
C35	This campus is concerned with providing students with a high quality educational experience	4.500
E35	Toll free lines to the admissions office for prospective student use	4.440
C55	The academic programs offered here reflect the mission of the institution	4.410
C16	Conflict is not increasing within this institution	4.389
C34	The senior administration demonstrates concern for the individual welfare of students and each other	4.380
C1	The college operates with a liberal arts mission	4.330
C33	This college places emphasis on serving students	4.330
S1	Expanded recruitment efforts	4.110

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 34 - CONTINUED

Item #	Least Frequently Used Strategy Descriptions	Mean
C51	Changes in required courses have changed the mission of this college	1.330
F13	Decreasing tuition levels	1.230
P8	Increased faculty teaching loads	1.220
C49	A new mission defines programs which are outside of faculty expertise	1.220
F8	Dismissal of tenured faculty in low student demand areas	1.170
F11	Decreasing fees (other than tuition)	1.110
S23	Cut back athletic programs	1.110
F28	Retraining faculty in low demand areas to fill staff positions	1.110
F9	Dismissal of non-tenured faculty in high student demand areas	1.050
F14	Faculty/staff salary reductions	1.000

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 35

STRATEGIES USED FOR DECLINING COLLEGES:
15 MOST FREQUENT AND 10 LEAST FREQUENT STRATEGIES

Item #	Most Frequently Used Strategy Descriptions	Mean
C2	The college is appropriately Christian in its character	4.680
C26	The trustees do not occasionally override the decisions made by senior administrators	4.630
C21	The trustees are generally supportive of the mission of this college	4.590
C22	Adversarial relations do not exist between the administration and trustees	4.540
C35	This campus is concerned with providing students with a high quality educational experience	4.500
C25	The trustees are not primarily involved in minutia and day-to-day details	4.500
E23	Visits to campus by prospective students and/or their families	4.500
C3	The mission statement has been reaffirmed	4.450
C55	The academic programs offered here reflect the mission of the institution	4.360
C33	This college places emphasis on serving students	4.360
C34	The senior administration demonstrates concern for the individual welfare of students and each other	4.220
C1	The college operates with a liberal arts mission	4.270
C16	Conflict is not increasing within this institution	4.270
E35	Toll free lines to the admissions office for prospective student use	4.270
S1	Expanded recruitment efforts	4.220

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

TABLE 35 - CONTINUED

Item #	Least Frequently Used Strategy Descriptions	Mean
C51	Changes in required courses have changed the mission of this college	1.000
F13	Decreasing tuition levels	1.040
C49	A new mission defines programs which are outside of faculty expertise	1.130
F9	Dismissal of non-tenured faculty in high student demand areas	1.140
E36	Billboards or transit bus/subways, etc.	1.180
C50	New undergraduate majors/programs have changed the mission of this college	
F8	Dismissal of tenured faculty in low student demand areas	1.230
F28	Retraining faculty in low demand areas to fill staff positions	1.280
F11	Decreasing fees (other than tuition)	1.280
F14	Faculty/staff salary reductions	1.330

Rating Scale: 1 - Not at all 3 - To some extent 5 - To a great extent

Results of analysis of variance tests. A series of analysis of variance (ANOVA) tests were performed to determine significant differences among the three institutional groups for each of the strategies. Of the 220 items tested, 23 of these were found to have statistically significant differences between the groups. Table 36 displays these results. Each of these items is significant at a .05 alpha level.

Two of the items shown in Table 36 relate to trustees: while the trustees are more apt to be focused on broad issues at the Improving colleges than the Stable colleges (C24), the Declining colleges are more apt to have restructured their Trustee Boards (S25). As noted earlier, the Declining colleges employ to a greater extent than the other groups a number of specific admissions strategies. Two items in particular are in use at Declining colleges with much greater frequency than at Stable colleges: direct mail to prospective students (E31) and targeted recruitment efforts segmented by primary, secondary, and tertiary markets (E63). Improving colleges are more likely than Stable colleges to have revised mission statements (C4).

Improving and Stable colleges are much more likely than Declining colleges to have made changes to improve career planning and placement programs (P22), while Improving and Declining colleges are more likely than Stable colleges to have increased their fundraising efforts with their

SIGNIFICANT ANALYSIS OF VARIANCE RESULTS BY GROUP

Source of Variation	Means by Group			F-ratio	P =
	Improving	Stable	Declining		
Item C24	4.16	3.51	4.01	4.11	0.0211
Item S25	2.41	1.83	2.72	3.31	0.0431
Item E31	3.96	3.44	4.27	3.08	0.0532
Item E63	3.45	3.11	3.95	3.77	0.0287
Item C4	3.41	2.39	3.18	3.08	0.0527
Item P22	3.75	3.16	3.41	2.74	0.0727
Item S9	3.21	2.33	3.31	4.21	0.0194
Item E2	2.87	2.51	3.18	3.11	0.0518
Item E3	2.47	1.78	2.41	3.74	0.0293
Item E4	2.52	2.83	3.54	5.27	0.0078
Item E5	2.39	2.72	3.31	5.11	0.0089
Item E66	2.17	2.27	2.86	3.54	0.0351

KEY:

Item C24 - Trustees are primarily involved in broad policy issues

Item S25 - Restructured Trustee Board

Item E31 - Direct Mailings to prospective students

Item E63 - Targeted recruitment activities segmented by markets

Item C4 - Revised mission statement

Item P22 - Improved career planning and placement services

Item S9 - Efforts to increase gifts from sponsoring church

Item E2 - Market research studies of prospective student markets

Item E3 - Comparative profiles of enrolled freshman

Item E4 - Summary reports of enrolled student yield by market

Item E5 - Summary report of undergraduate retention by market

Item E66 - Development of formal, written retention plan

Source of Variation	Means by Group			F-ratio	P =
	Improving	Stable	Declining		
Item F4	1.96	2.06	2.52	3.56	0.0344
Item F24	1.56	1.76	2.09	3.18	0.0487
Item F23	1.52	1.53	2.14	3.57	0.0342
Item F27	1.36	1.71	2.14	7.53	0.0012
Item F5	1.32	1.59	2.01	5.03	0.0095
Item F6	1.32	1.53	1.95	4.87	0.0111
Item F3	1.24	1.53	2.01	6.07	0.0041
Item F1	1.21	1.35	1.71	3.85	0.0267
Item S23	1.28	1.11	1.68	3.274	0.0445
Item P9	1.83	1.51	2.09	2.96	0.0594
Item F2	1.81	2.01	2.67	9.47	0.0003

KEY:

Item F4 - Reduction of non- academic programs through selective cuts
 Item F24 - Merger of departments and programs
 Item F23 - Negotiation of early retirement with senior staff/faculty
 Item F27 - Elimination of professional staff positions
 Item F5 - Reduction of faculty size through natural attrition
 Item F6 - Reduction of professional staff through natural attrition
 Item F3 - Reduction of non-academic programs through across-the-board
 Item F1 - Reduction of academic programs through selective cuts
 Item S23 - Cut back athletic programs
 Item P9 - Increased faculty/staff ratio
 Item F2 - Reduction of academic programs through selective cuts

sponsoring denominations (S9). The increased attention given to enrollment research and planning by the Declining colleges noted earlier is further evident in the ratings on items E2 (market research studies of prospective student markets), E3 (comparative profiles of enrolled freshmen), E4 (summary reports of enrolled student yield by market and characteristic), E5 (summary reports of undergraduate retention by market and characteristic), and E66 (development of a formal, written retention plan).

Declining colleges use three of these strategies more frequently than Improving colleges (E4, E5, and E66), and one of the strategies more frequently than the Stable colleges (E2). On one item (E3), Declining and Improving colleges both report greater frequency in usage than the Stable group.

The remaining 11 statistically significant items all relate to financial retrenchment strategies. It is striking that the Declining colleges report significantly greater usage on all 11 items than the other groups. On eight of the items, the Declining colleges report more frequent usage than the Improving colleges: reduction of non-academic programs through selective cuts (F4), merger of departments and programs (F24), negotiation of early retirement with senior staff or faculty (F23), elimination of professional staff positions (F27), reduction of faculty size and professional staff through natural attrition (F5 and F6),

and reduction of non-academic and academic programs through across-the-board cuts (F3 and F1). On two of the items, Declining colleges report more frequent usage than the Stable colleges: cut back athletics (S23) and increased the faculty to student ratio (P9). Finally, the Declining colleges report much more frequent usage than either the Improving or Stable colleges on one item: reduction of academic programs through selective cuts (F2).

Frequencies for grouped data. One of the objectives of this study was to determine the validity of Chaffee's assertions that the use of interpretive management strategies facilitates improvement in institutional condition. In the next section, statistical analyses will be reported that tested the relative importance of adaptive and interpretive management strategies on enrollment and revenue change. This section presents the frequency data for both of these strategy groupings, indicating how frequently each was used by the institutions in this study.

As indicated in Chapter III, the 220 strategy items were regrouped into ten variables which reflect Chaffee's model. Appendix 8 contains the complete tables for these variables as well as their mean usage. Table 37 displays the total means for each of the three institutional groups, Improving, Stable, and Declining, as well as the aggregate mean for each variable.

The aggregate means suggest that adaptive strategies

TABLE 37

REGROUPED VARIABLES:
COMPARISON OF AGGREGATE WITH GROUPED MEANS

Regrouped Variable	Means and Standard Deviations by Group							
	All		Improving		Stable		Declining	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
<u>Adaptive:</u>								
ATTRACT	3.131	0.366	3.15	0.417	3.09	0.351	3.13	0.312
PRODUCE	3.002	0.505	3.12	0.474	3.01	0.529	2.85	0.521
RESEARCH	2.813	0.445	2.73	0.481	2.61	0.419	3.06	0.423
CHANGE	2.647	0.381	2.59	0.326	2.55	0.395	2.78	0.425
CONSERVE	2.004	0.282	1.91	0.258	1.87	0.304	2.22	0.291

Key:

ATTRACT - Changes made to attract or retain students

PRODUCE - Changes made in product or services

RESEARCH - Research and/or planning strategies

CHANGE - Strategies reflecting increased receptiveness to change

CONSERVE - Resource-conservation strategies

Scale for Means: 1 = Not at all 3 = To some extent 5 = To a very great extent

TABLE 37 - CONTINUED

Regrouped Variable	Means and Standard Deviations by Group							
	All		Improving		Stable		Declining	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
<u>Interpretive:</u>								
MISSION	3.821	0.382	3.91	0.394	3.74	0.344	3.78	0.397
COOPERATION	3.779	0.348	3.77	0.297	3.76	0.345	3.79	0.401
TRUSTEES	3.664	0.403	3.73	0.387	3.53	0.394	3.68	0.427
EXTERNAL IMAGE	3.235	0.395	3.29	0.389	3.12	0.342	3.25	0.441
PROGRAM FOCUS	2.371	0.356	2.34	0.381	2.38	0.358	2.38	0.323

Key:

MISSION - Strategies to strengthen mission/reflecting strong mission

COOPERATION - Strategies to strengthen communication/cooperation

or reflecting good communication and cooperation

TRUSTEES - Strategies to strengthen or better involve trustees

EXTERNAL IMAGE - Strategies reflecting efforts with external constituencies

PROGRAM FOCUS - Strategies reflecting focus refinement for academic program

Scale for Means:

1 = Not at all 3 = To some extent 5 = To a very great extent

were used to a much lesser extent overall than the interpretive strategies. The only exception is for the interpretive strategy PROGRAM FOCUS, a grouping of items consisting mostly of strategies to change the mission and/or focus of academic programs. Given the strong emphasis placed upon mission by the CCC schools, it is not surprising that this item would receive such low frequency ratings.

The Improving colleges have the highest frequency for the interpretive strategies MISSION, TRUSTEES, and EXTERNAL IMAGE and the adaptive strategies ATTRACT and PRODUCE. The Declining colleges report higher usage of the adaptive strategies RESEARCH and CONSERVE. These findings provide some confirmation for Chaffee's assertions. First, based on the experience of the Improving colleges, there does appear to be support for the notion that a mix of interpretive and adaptive strategy is ideal. Second, the greater use of interpretive strategies by the Improving colleges supports Chaffee's notion that while a mix in strategy is necessary, a greater emphasis upon interpretive strategy can make the difference between resiliency and decline.

Summary of Strategy Usage at CCC Schools

Strategy items receiving the strongest usage ratings include most of the items which might be described as mission- and campus culture-affirming. The strength of agreement around these items suggest that the CCC schools remain very focused upon their mission as Christian liberal

arts colleges, that despite changing demographics the residential, liberal arts model is still a primary thrust, and that inordinate attention is given to nurturing a caring and people-oriented culture. On the other hand, items receiving the lowest usage ratings include most of the financial retrenchment and mission-detracting strategies. Given that the employment of such strategies would most likely result in considerable strife and tension, it is not surprising that CCC schools might be reluctant to pursue such measures.

When strategy usage is examined by the Improving, Stable, and Declining college groupings, several findings are notable. In general, Improving colleges appear to be pursuing a higher level of activity but also a broader mix of strategy than colleges in the other two groups. Specifically, the Improving colleges place slightly more emphasis on mission and the nurturing of a strong, positive campus culture. These schools are more likely to have revised their missions and to refer to their missions in everyday decision-making activity. The Improving colleges are also more likely to be concerned about providing a high quality experience for their students, to place emphasis upon serving students, to be making changes to improve the campus climate, and to report slightly more positive relationships between various campus factions, i.e., faculty, administration, trustees, students.

The Improving colleges have assumed a more strategic orientation than the Stable or Declining colleges. These colleges are more likely to have revised programs in response to market demand and need, strengthened relationships with important external constituencies, developed and implemented a strategic plan, engaged in innovative and entrepreneurial activities, and adopted a revenue-generating thrust. Taken together, such activities constitute what some researchers have coined a "strategic management" approach. The key emphasis with such an approach involves enhancing organizational effectiveness and "doing the right things."

On the other hand, the Declining colleges are more likely to have engaged in activities which constitute what researchers have called an "efficiency or operational response" approach. The Declining colleges are much more likely to have engaged in financial retrenchment and resource conservation efforts and planning and research activities. Moreover, they are more likely to have focused their resource generation efforts primarily in the traditional undergraduate student recruitment and retention area as opposed to developing new domains of activity.

Regarding Chaffee's strategic management typology, the CCC schools use adaptive strategies to a much lesser extent overall than the interpretive strategies. Improving colleges reported the highest usage of the interpretive

strategies related to mission, trustee relationships, and external focus while the Declining colleges reported the highest usage of the adaptive variables related to research and planning and resource conservation activity. In general, the Improving colleges used the broadest mix of adaptive and interpretive strategies giving slightly greater attention to interpretive activities. The experience of the Improving colleges provides credence for Chaffee's assertions that a mix of the two strategy types is ideal and that interpretive strategy can be particularly helpful for institutions seeking to improve their conditions.

Research Question 3: What Relationship can be Determined Between the Use of Specific Management Strategies and Changes in Institutional Condition?

The preceding section reviewed the frequency of usage of the 220 strategies included in the Strategic Management Survey at the Christian College Coalition schools in this study (65 institutions). Results were provided in the aggregate as well as for the three institutional groups: Improving, Stable, and Declining colleges. This final section goes one step further by describing the correlation and regression analyses which were performed on the data. These analyses were conducted in order to test for possible relationships between the use of any of the 220 strategic items and changes in institutional condition.

Because of the large number of independent variables in

this study, zero-order correlation analyses were first performed on the data to select those strategies exhibiting the strongest degree of relationship with the three dependent variables: percent of FTE enrollment change from 1981 to 1991, percent of revenue change from 1981 to 1991, and the weighted index variable, WINDEX. The strategies exhibiting strong positive relationships with these dependent variables were then used as independent variables in the regression analyses.

Results of Correlation Analyses: Individual Variables

Three correlation analyses were conducted on the data with each employing a different dependent variable:

- 1) percent of FTE enrollment change from 1981 to 1991;
- 2) percent of revenue change from 1981 to 1991, and 3) the weighted index variable, WINDEX, a measure incorporating each institution's cumulative performance on six financial ratios from 1981 to 1991. The results which reveal statistical significance for 33 of these correlation analyses are displayed in Table 38.

A number of observations can be made about the results of the correlation analyses. First, it is interesting to note that while several strategies correlate with at least some minimal level of significance with the FTE enrollment and index dependent variables, only three strategies show significant relationships with the revenue change dependent variable. Particularly striking is the number of negative

SIGNIFICANT PEARSON CORRELATION COEFFICIENTS

Strategy Correlated With . . .		Dependent Variables		
Item #	Description	FTE Change	Revenue Change	Weighted Index
S11	Creative efforts to meet student needs	0.0803	*0.2947	-0.2304
S18	Organizational restructuring	0.0473	*-0.2978	-0.1529
S19	Developed/implemented strategic plan	*-0.2724	-0.1321	-0.0507
C10	People share common def. of mission	*-0.3105	0.1047	-0.0507
C22	Adversarial relations do not exist	*-0.3016	-0.0012	0.1415
C25	Trustees not prim. involved in minutia	**-.3603	0.0132	0.1753
C26	Trustees do not override decisions	*-0.2989	-0.0579	0.0055
E14	Early enrollment of HS students	*.2568	0.1562	0.2074
E18	Recruitment of adult students	*.3150	0.0656	0.1014
E35	Toll-free admissions line	*-0.2701	-0.0002	-0.0677
F02	Reduct. of acad. prgms:selective cuts	*-0.3137	-0.0584	**-.4417
F03	Reduct. non-acad. prgms:across board	*-0.2720	-0.1675	**-.4191
F05	Reduction faculty size through attritio	*-0.2590	-0.1435	*-0.3101
F09	Dismissal non-tenured fac. high demand	**0.3877	0.0242	-0.0259
F31	Fundraising with business/industry	*.2638	0.1451	0.1261
P13	Added graduate level courses/programs	*.2989	0.1192	*.2611
P17	Initiated truly innovative programs	**0.3376	0.0092	-0.0101
P24	Changes to improve student development	0.0651	*.2898	0.2246
C55	Academic programs reflect mission	-0.0488	*-0.2463	-0.0179
S23	Cut back athletic programs	-0.0247	-0.0003	*-0.2720
C23	Burnout is not a real threat	-0.1661	-0.0521	*-0.2505
E65	Dev. of formal written recruit. plan	-0.1698	-0.0766	*-0.2617
F01	Reduct. acad. prgms across board cuts	-0.2464	-0.1663	*-0.2920
F04	Reduct. non-acad.prgms selective cuts	-0.1091	-0.1558	**-.3535
F06	Reduction professional staff attrition	-0.2273	-0.1264	*-0.2831
F07	Dis. non-tenured faculty low demand	-0.0339	-0.1088	*-0.3062
F21	Elim.unprofitable academic programs	0.0465	-0.1171	*-0.2726
F23	Negotiation early retirement	-0.1578	-0.1997	*-0.2671
F24	Merger of departments/programs	-0.0556	0.1567	*-0.2966
F27	Elim. professional staff positions	-0.1733	-0.1354	**-.4406
F44	Use of faculty in fundraising	0.2053	0.1515	*.2829
F46	Use of current students in fundraising	-0.0181	-0.0241	*.2861
P04	Reallocation of funds from low to high	-0.1483	-0.1358	*-0.2625

* P = .05 Level of Significance

** P = .01 Level of Significance

relationships between several financial retrenchment-type strategies and enrollment growth or change in institutional condition. Three such variables correlate negatively with both the enrollment and index variables: reduction of non-academic programs through across-the-board cuts, reduction of academic programs through selective cuts, and reduction of faculty size through natural attrition. Whether the employment of such strategies actually leads to a condition of decline, helps to facilitate decline, or is simply a byproduct of a deteriorating condition is a question needing further investigation.

On the other hand, several strategies appear to be related to increasing enrollment and/or an improving institutional condition. The addition of graduate programs/courses is a strategy employed more often by schools experiencing enrollment growth as well as schools with improving overall conditions. The initiation of truly innovative programs along with an increased emphasis on the recruitment of adult students and early enrollment of high school students are strategies employed more often by schools experiencing enrollment growth. Finally, increased fundraising efforts also appear to facilitate growth. Increasing emphasis on fundraising with business and industry correlates moderately with revenue growth and an improving overall condition and correlates significantly with enrollment growth. Involving more campus personnel in

fundraising efforts (e.g., faculty, current students) is a strategy employed more often by schools with improving overall conditions. Taken together, this suggests that an expansionary mode of operation may be one of the keys to success for those schools experiencing growth and improvement over the past decade.

Results of Stepwise Regression Analyses: Individual Variables

Tables 39 to 41 display the results from the regression analyses which were performed on the data. Three separate analyses were conducted using the same three dependent variables as were used in the correlation analyses. Because of the large number of independent variables, and because of the relatively small sample size (65 schools), only those strategies showing a moderately positive relationship or greater (.15 and above) were included in each analysis. Since the variables could not be tested on the basis of theory, a stepwise multiple regression statistic was used for each analysis.

To ensure that the difference in enrollment, revenue, or institutional condition change was due to implemented change and not inherent institutional characteristics, several additional variables were used as independent variables for statistical control. These variables were:

- 1) FACULTY: proportion of part-time to full-time faculty;
- 2) ADMIT: number of admissions entrance criteria required;

3) PROGRAM: number of academic programs offered; 4) STATUS: proportion of part-time to full-time students; 5) HOME: proportion of residential to non-residential students; 6) STATE: proportion of in-state to out-of-state students, and 7) RATIO291: annual endowment income as a percentage of educational and general expenditures.

The first regression analysis used percent of FTE enrollment change from 1981 to 1991 as the dependent variable. As shown in Table 39, six independent variables, included at the $p = .10$ or less, accounted for nearly 93 percent of the variance in enrollment change. The large size of the explained variance may be due in part to the small sample size.

These variables appear to support the usefulness of adaptive strategy to enrollment growth. Specifically, these findings provide additional support for the notion that an expansionary stance contributes to institutional well being. For example, institutions experiencing enrollment increases from 1981 to 1991 were more likely to have increased their emphasis on recruiting transfer students, developing new off-campus programs to serve new clientele, using geodemographic research to identify new markets, and dismissing non-tenured faculty in high student demand areas. While the first three items are logical findings, the last item is particularly peculiar. It could be that this item is more a reflection of a general orientation and/or

SIGNIFICANT STEPWISE REGRESSION RESULTS OF FTE
ENROLLMENT CHANGE 1981 TO 1991
ON THE SELECTED INDEPENDENT VARIABLES

Independent Variable	Beta Weight	P =
Dismissal of non-tenured faculty	0.2849	0.0196
Proportion of part-time faculty	0.4331	0.0001
Number of academic programs offered	-0.4732	0.0001
Use of geodemographic marketing tools	0.4093	0.0001
Development of new off-campus programs	0.3149	0.0054
Increased emphasis on recruiting transfers	0.2249	0.0097
R2 = .9275		
Adjusted R2 = .8985		
DF = 6,15		

attitude, i.e., the institution's willingness to retrench and, when necessary, make difficult decisions, than the specific actions stated here. In any event, the finding contradicts what one might intuitively expect and deserves more study.

Interestingly, the number of programs offered appears to have a negative impact on enrollment while the proportion of part-time faculty has a positive impact on enrollment. This may be explained

in part by the fact that while the Declining and Stable colleges in 1991 offer a higher number of programs on average than the Improving colleges, the latter group has shown the greatest increase from 1981 to 1991 in programmatic offerings. Thus, the number of programs offered in 1991 may be a somewhat misleading variable. Likewise, since the Improving colleges were, on average, functioning in the early 1980s with a much smaller operational base, these schools most likely had greater flexibility than the Stable or Declining colleges and were better able to employ cost-saving measures such as the use of part-time faculty.

The second regression analysis used percent of revenue change from 1981 to 1991 as the dependent variable. As shown in Table 40, three independent variables, included at the $p = .10$ or less, accounted for nearly 56 percent of the variance in enrollment change. Again, the large size of the explained variance may be due in part to the small sample size.

It is interesting to note that one of the factors seemingly quite important to the CCC schools, meeting students' needs, appears to be a positive contributor to revenue growth (Item S11). Not surprisingly, the other variable to have a positive impact on revenue growth is F47: deliberate attempts to use gift money to reduce reliance on tuition income. One would expect that schools that are

SIGNIFICANT STEPWISE REGRESSION RESULTS OF TOTAL
REVENUE CHANGE 1981 TO 1991
ON THE SELECTED INDEPENDENT VARIABLES

Independent Variable	Beta Weight	P =
Creative efforts to meet student needs	0.4958	0.0054
Deliberate attempts to use gift money to reduce reliance on tuition income	0.5495	0.0052
Fundraising activities directed toward Trustees	-0.403	0.0312
R2= .5584 Adjusted R2 = .4848 DF = 3,18		

actively engaged in expanding their revenue streams beyond what flows annually from tuition income should see some growth in overall revenue performance. On the other hand, an odd finding is the negative relationship between revenue growth and increased emphasis on fundraising with trustees (Item F36).

The third regression analysis used change in institutional condition from 1981 to 1991 as measured by the weighted index (WINDEX) as the dependent variable. As shown in Table 41, five independent variables, included at the $p = .10$ or less, accounted

SIGNIFICANT STEPWISE REGRESSION RESULTS OF WEIGHTED INDEX
ON THE SELECTED INDEPENDENT VARIABLES

Independent Variable	Beta Weight	P =
Involvement of alumni in fundraising	-0.5614	0.0001
Special programs for high ability students	0.7142	0.0001
Senior administration demonstrates care and concern for the individual welfare of students	0.6359	0.0001
Use of current students in fundraising	0.3945	0.0007
Fundraising directed toward alumni	0.2729	0.0065
R2 = .8869		
Adjusted R2 = .8516		
DF = 5,16		

for nearly 89 percent of the variance in enrollment change. As with the two previous regression analyses, the large size of the explained variance is in all likelihood due to the small sample size.

Four of the five variables appear to be positive contributors to an improving overall institutional condition: implementing special programs for high ability students; having senior administrators who demonstrate care and concern for the individual welfare of students and each other; using current

students in fundraising efforts, and increasing fundraising efforts with alumni. Again, it is interesting to note that efforts to attract brighter students and thereby enhance image as well as administrative efforts to promote a nurturing ethos are the strongest contributors to institutional wellbeing. In contrast to the first regression analysis, these findings more strongly support the use of interpretative strategy in bolstering institutional condition.

Oddly enough, the use of alumni in fundraising efforts appears to negatively impact institutional condition. It may simply be the case that it is more important to raise funds from alumni and to employ alumni on behalf of the institution in ways other than in a direct fundraising role.

Results of Forced Entry Regression Analysis: Regrouped Variables

Following the individual regression analyses, the 220 strategic items were regrouped into the ten variables described in Chapter III using Chaffee's (1984) typology. These new variables were substituted for the 220 strategic items as independent variables and were used in the final regression analyses. These regrouped variables included, for adaptive strategy: 1) changes made to attract or retain students (ATTRACT); 2) strategies reflecting increased receptiveness to change (CHANGE); 3) strategies to conserve operating funds (CONSERVE); 4) planning and research

strategies (RESEARCH), and 5) changes made in products and/or services PRODUCE).

For interpretive strategy, the regrouped variables included: 1) academic program focus (PROGRAM FOCUS); 2) strategies reflecting initiatives with external constituencies (EXTERNAL IMAGE); 3) strategies to improve and better involve trustees (TRUSTEES); 4) strategies to bolster campus communication and cooperation (COOPERATION), and 5) strategies to strengthen mission (MISSION). (See Appendix 8 for a complete list of the strategic items included in each regrouped variable.)

Forced entry regression analysis was conducted on these regrouped variables to determine whether the strategic items are ordered with regard to their usefulness. Tables 42 and 43 display the results of this analysis for the 65 schools in this study. As evident by the data shown in these tables, the findings from this last analysis are, at best, limited. With regard to the regression using enrollment change as the dependent variable, the institutional characteristic FACULTY (proportion of part-time faculty) shows the greatest positive impact on enrollment growth (see Table 42). While the regrouped variable TRUSTEE shows the next strongest relationship, the impact is a negative one.

SIGNIFICANT FORCED ENTRY REGRESSION RESULTS OF ENROLLMENT CHANGE 1981 TO 1991 ON THE SELECTED INDEPENDENT VARIABLE

Independent Variable	Beta Weight	P =
Proportion of part-time faculty	0.5182	0.0039
Regrouped variable: TRUSTEES	-0.3685	0.0315
R2 = .4892 Adjusted R2 = .4406 DF = 2,21		

The regression analysis using revenue change as the dependent variable produced no significant findings. The results from the final analysis which used the index as the dependent variable are shown in Table 43. The institutional characteristic STATE (percent of in-state students) appears to make the greatest contribution to positive change in institutional condition while the institutional characteristic HOME (percent of non-residential students) shows a secondary relationship, albeit a negative one. For this particular population, schools drawing a more regional (particularly within

TABLE 43

SIGNIFICANT FORCED ENTRY REGRESSION RESULTS OF
WEIGHTED INDEX ON THE SELECTED INDEPENDENT VARIABLES

Independent Variable	Beta Weight	P =
Proportion of in-state students	0.5404	0.0068
Proportion of commuting students	-0.4733	0.0157
R2 = .3724		
Adjusted R2 = .3126		
DF = 2,21		

state) and residential student population have fared better in overall institutional condition over the past decade than other institutions. As noted earlier in this chapter, the possible significance of a more regional student recruitment drawing area to institutional wellbeing is a surprising finding and merits further study.

Summary: Relationship Between Strategy Usage and Institutional Performance

The correlation and regression analyses revealed several interesting findings. First, the employment of retrenchment strategies appears to correlate quite strongly with a deteriorating condition. While such action may indeed be necessary, the findings of this study suggest that an exclusive focus on cutting costs and preserving resources may further facilitate the spiral of decline.

At the same time, several strategies correlate very strongly with an improving condition: adding graduate level courses/programs, initiating truly innovative programs, expanding into new markets and domains of activity, and expanding fundraising efforts with business and industry. Taken together, such findings suggest that an expansionary mode of operation generally, and the employment of a broad mix of strategies specifically, helps to facilitate institutional success.

The regression analyses further confirmed the role of an expansionary orientation as a key to enrollment and institutional improvement. Enrollment-increasing colleges were more likely to have enhanced transfer recruitment efforts, developed new off-campus programs to serve new clientele, and used geodemographic marketing analysis to identify and cultivate new markets. Revenue-increasing colleges were more likely to have employed creative efforts

to meet student needs and to have made deliberate attempts to use gift money to reduce reliance on tuition income. Finally, improving-condition institutions (as measured by the WINDEX) were more likely to have implemented special programs for high ability students, expanded fundraising efforts, and to have senior administrators who demonstrate care and concern for the individual welfare of students and each other.

Regression analyses conducted to test for the usefulness of Chaffee's adaptive and interpretive strategy groupings rendered little in the way of usable results. However, two variables which were included in the regression analyses for control purposes did produce significant and interesting findings. Institutions drawing a higher percentage of students from in-state and institutions with a higher percentage of residential students experienced greater improvement in their overall condition (as measured by the variable WINDEX) during the period from 1981 to 1991.

Respondent Comments to Open-ended Questions

Responses to the first open-ended question "To what do you attribute changes in your financial condition during the period 1981 to 1991?" were received from 64 of the 65 respondents. The responses varied in length (from one or two words to several sentences) as well as in depth (from one item to a list containing several items). Consequently, the results were difficult to quantify and compare across

institutions. A list of general topical areas was developed and responses for each area are compared across the three institutional groups: Improving, Stable, and Declining colleges. Table 44 displays the topical listing as well as the number of schools by group identifying an item within each area.

One of the most noticeable things about the open-ended responses is that the Improving colleges were significantly more likely to list positive items in answer to the first question, with Stable colleges next likely and the Declining colleges least likely to list positive items to explain the reason(s) for change in financial condition during the past decade. Specifically, 84 positive items were given by the Improving colleges, 73 by the Stable colleges, and only 52 positive items were offered by the Declining colleges. Regarding negative responses to this first question, the Improving colleges offered 19 items, with the Stable and Declining colleges listing 15 and 56 items respectively. Interestingly, Improving and Stable colleges frequently attributed changes in their conditions to effective fiscal management practices while the Declining colleges attributed changes to ineffective fiscal habits. Clearly the Improving and Stable colleges see themselves as being in a much healthier state than the Declining college group. While not surprising, these results do serve as an unofficial affirmation of the methodology used to categorize the

OPEN-ENDED RESPONSES
FACTORS CONTRIBUTING TO CHANGE IN FINANCIAL CONDITION

Topical Area	Number Giving Positive Responses			Number Giving Negative Responses		
	I	S	D	I	S	D
Mission	5	3	1	0	0	3
Ethos	2	0	0	0	0	0
Leadership	10	3	2	0	0	0
Institutional Management	6	6	7	0	0	0
Fiscal Management	13	15	5	5	6	12
Enrollment Stabilization	13	14	10	5	2	13
Financial Aid	1	0	0	7	4	7
External Forces	0	0	0	1	1	8
Fundraising/Development	13	19	13	0	1	7
Academic Programs/Faculty	12	9	0	0	0	1
Public Relations/Image	5	0	3	0	0	0
Strategic Planning	0	3	5	0	0	2
Physical Plant	2	1	2	0	0	0

Key:

I = Improving colleges

S = Stable Colleges

D = Declining Colleges

schools into the three groups.

In general, the Improving colleges were more likely to report a combination of adaptive and interpretive strategy-type items in response to this question. With regard to the latter, Improving colleges made frequent reference to things like great visionary leadership (listed by 10 schools), strengthening and refocusing of the school's mission, enhancing internal and external information and communication channels, enhancing the school's image, and nurturing an entrepreneurial ethos (11 schools noted their institution's responsiveness to market demands and needs generally as well as their success at implementing "cash cow" programs specifically) as major contributors to their improving condition over the past decade. The Improving colleges offered fewer adaptive strategy items and tended to focus on increased enrollments and conservative yet strategic fiscal management efforts as reasons for their improving condition.

On the other hand, Stable and Declining colleges reported primarily adaptive-type strategies in response to this question. On the positive side, these schools were more likely to attribute perceived improvement in financial condition to strengthened management efforts generally and better fiscal management specifically, to the implementation of a strategic planning process, to increased enrollments and heightened fundraising and development efforts.

Overall, on the positive side, four items were mentioned most often as contributors to a perceived improving financial condition: 1) having leadership described as visionary and effective and/or management ufocused on doing the right thing; 2) enhancing fundraising and development efforts; 3) stabilizing and/or growing enrollments, and 4) taking strategic (and sometimes risky) action in response to marketplace demands and needs.

On the negative side, five factors were mentioned most frequently as contributors to a perceived declining financial condition: 1) poor fiscal management and inadequate financial resources (items mentioned repeatedly include lack of financial cushion or reserves, deferred maintenance and debt financing costs, expenses outpacing revenues, etc.); 2) inadequate enrollments; 3) increasing financial aid expenses and drain on budget (18 schools spread evenly across the three groups listed this item); 4) inadequate fundraising and development efforts, and 5) external factors (decreasing federal and state financial aid assistance, accreditation and government control, the impingement of culture, etc.). Declining colleges were more likely to focus on the lack of fiscal resources, poor institutional management, lack of students and inadequate fundraising as reasons for their current state.

The second open-ended question asked colleges to identify the greatest challenges that they were currently

facing. As with the first question, a listing of topics was developed from the comments provided and a summary of responses by topic is displayed in Table 45.

Again, there are some interesting differences in responses to this second question by the three groups: Improving, Stable, and Declining colleges. Improving and Stable colleges are most concerned about issues related to: 1) managing growth; 2) the influence of external factors and controls; 3) building maintenance and physical plant needs, and 4) managing spiraling financial aid costs. On the other hand, Declining colleges are most concerned about: 1) spiraling financial aid costs, and 2) strengthening financial reserves. Overall, the Improving and Declining colleges gave more responses to this second question (49 and 50 respectively versus 38 for the Stable group). It could be that the Improving and Declining colleges currently feel a greater sense of pressure and challenge than the Stable colleges. The Improving colleges are coming out of a period of tremendous growth and change and now must confront and deal with the consequences of growth. On the other hand, during this same period many of the Declining colleges declined in students and in financial as well as other resources. Accordingly, these schools now face the challenge of bringing programs and resource demands in line with a considerably smaller resource base.

OPEN-ENDED RESPONSES
GREATEST CHALLENGES FOR FUTURE

Topical Area	Number Responding by Group		
	I	S	D
Making quality gains	1	4	2
Managing growth	9	10	2
Strengthening fiscal reserves	0	0	6
Building maintenance/physical plant	7	4	2
Debt reduction	0	0	4
Strengthening endowment	3	0	4
Strengthening fundraising effectiveness	4	0	4
Strengthening missional focus	3	1	4
Enhancing diversity	0	1	1
Retaining strong faculty/staff	4	1	2
Improving trustees	1	1	0
Managing external influences	8	3	3
Strengthening church support	0	0	2
Enrollment stabilization	3	2	2
Strategic planning	0	0	3
Managing financial aid	6	8	7

Key:

I = Improving Colleges

S = Stable Colleges

D = Declining Colleges

Salient Findings

The purpose of this study was three-fold: 1) to ascertain the current condition of the Christian college sector and how this sector has changed from 1981 to 1991, 2) to identify the specific management strategies used by the Christian colleges during this same period, and 3) to determine whether there is a statistically significant relationship between the use of specific management strategies and changes in institutional condition. The findings presented in this chapter directly address these three objectives. In some cases, the findings are consistent with previously conducted research. In other cases, the findings contradict previous work in the field and suggest new avenues for study and exploration. The most important of these findings are summarized in this concluding section.

Burgeoning Undergraduate and FTE Enrollments

Despite a declining national high school graduating pool, CCC schools in the aggregate outpaced other four-year private colleges in undergraduate and FTE enrollment growth during the 1980s. Undergraduate headcount enrollment increased an average of 12% during the 1980s. This compares to a 5% average increase for all four-year privates. Particularly for Improving and Stable colleges, the increase appears to be attributable in part to an increase in the enrollment of non-traditional students such as part-time and

returning adults. Regarding FTE enrollment, the CCC schools ended the 1980s with an overall growth rate on par with national norms (12% increase), with most of the growth taking place during the second half of the decade. Of the 81 schools in this study, 67% experienced some increase in FTE with an average increase of 41%. For the 27 schools experiencing a declining FTE, the average drop was 16%.

The Move Into Graduate Education

Graduate enrollment increased at CCC schools on average by 25% during the 1980s. The number of schools offering at least one graduate program has jumped from 21 in 1981 to 39 in 1991. The greatest gains have come among the Improving colleges where the number of schools offering at least one program has jumped from 7 to 15 during the 1980s. CCC graduate students are more likely than students at other four-year privates colleges to be enrolled on a part-time basis.

Freshmen Headcount and Admissions Trends

Freshmen headcount trends among the CCC schools provide a more disconcerting picture regarding the current condition of the sector. Clearly, and especially for Declining and Stable colleges, institutional enrollment shortfalls during the 1980s appear to be attributable in large part to a declining traditional freshman population. Compared to a national decline of 6% during the decade, the Stable and Declining colleges both declined an average of 29% in

freshman headcount. A notable exception must be made for Improving colleges which, since 1981 have far outpaced Declining and Stable colleges as well as national norms in freshman enrollment growth (posting an average increase of 22% for the ten-year period). On the positive side and in contrast to national norms, the new student acceptance rate at CCC schools decreased an average of 7% during the 1980s (this compares to a national average increase of 3%), suggesting a tightening of academic standards. The most significant drop took place at Improving and Declining schools. Of the three groups, Improving colleges self-report the greatest tightening of academic standards, followed by Stable and Declining colleges. Nevertheless, CCC schools are still accepting an uncomfortably high percentage of applicants (81% versus a national norm of 63%). And, there is a sharp increase across all three groups in the number of provisionally accepted freshmen and the number of new students needing remediation. Other yield rates changed at about the same rate as national norms with the exception of the accepted applicant yield rate (where Improving colleges far outpaced and Stable colleges underpaced national norms).

The Impact of External Factors and Inherent Institutional Characteristics

Improving and Stable colleges are more likely than Declining colleges to be located in less populated areas,

suggesting that environmental setting may play a greater role in the wellbeing of this kind of institution than has been found in other studies. On the other hand, Declining colleges are more likely to be located in urban settings and in regions of the country which experienced the sharpest decline in the number of high school graduates during the 1980s (Northeast and Northcentral), suggesting that geographic location may also contribute in some way to the deteriorating condition of these schools. Contrary to previously conducted research, institutional size does not appear to play a major role in explaining a growing or declining condition for CCC schools. In this study, a number of the smallest CCC schools in 1981 were in the Improving category, meaning that small size did not inhibit their efforts toward resiliency. Two other institutional characteristics are notable: 1) Improving colleges in this study consistently enrolled a significantly higher percentage of in-state students than Stable or Declining colleges. This contradicts previous research which suggested a positive relationship between a national student drawing market and enrollment growth. 2) Improving colleges in this study experienced sharper increases in the percentage of the student body residing on the campus than the Stable or Declining colleges. Taken together, these findings suggest that administrators should consider the

potential impact of external or inherent institutional factors upon their efforts toward resiliency.

Fragilly Stable Financial Conditions

Despite growing enrollments, the CCC schools appear to have very limited and in some cases, clearly inadequate, financial resource bases. For example, in 1991, no CCC school met the minimum threshold for the ratio of expendable fund balances to plant debt. Only a handful of the schools met the minimum threshold for the ratio of total assets to total liabilities. Given the dearth of current, national ratio benchmarks, and the fact that the threshold suggested in the literature is a "theoretical ideal", some caution should be taken in the interpretation of this finding. Nevertheless, the net to total revenue trend lines suggest that, even at those schools experiencing some enrollment and tuition revenue growth, expenses are increasing at a rate greater than what revenue will support. In short, many of these schools appear to have dwindling financial reserves. This can be explained in part by the fact that CCC schools have grown increasingly dependent upon tuition income (as other revenue sources, e.g., private gift and endowment earnings have decreased or stayed flat) while siphoning off ever greater shares of revenue to support spiraling financial aid expenses. While there are important differences across the sector, and while many CCC schools do appear to be making some positive gains on several of these

measures, one is nevertheless left with the sense that the sector as a whole emerged from the 1980s in a profoundly weakened financial state.

Strategy Usage in the Aggregate

Regarding strategy usage, items receiving the strongest scores refer primarily to mission- and campus culture-affirming actions. In particular, strong agreement around these items suggests that the CCC schools remain fairly focused in their missions as Christian liberal arts colleges, that, in the face of changing demographics, the liberal arts, residential emphasis is still a primary thrust, and that inordinate attention is given to nurturing a caring and people-oriented culture. Operational items receiving the most attention by CCC schools over the past decade relate to recruitment and fundraising efforts. Items receiving the lowest usage scores include most of the financial retrenchment-type strategies as well as most of the items involving a change in mission or focus or strategies which might detract from the cultivation of a caring ethos.

Differences in Strategy Usage by Group

When strategy usage is examined by group, several findings are notable. In general, Improving colleges place even greater emphasis on mission, on enhancing the quality of student life, and on nurturing a caring campus climate than the Stable or Declining colleges. The Improving

colleges also appear to have assumed a more strategic orientation to institutional management. In contrast to an operational orientation, a strategic approach emphasizes the enhancement of organizational effectiveness ("doing the right things"), revising programs in response to market demands and needs, nurturing innovation and creativity, and strengthening relationships with important external constituencies.

On the other hand, the Declining colleges report higher scores than Improving or Stable colleges on items which might fall under the operational approach umbrella such as resource conservation efforts, planning and research activities, and specific recruitment strategies. In light of their deteriorating conditions, it is not surprising that Declining colleges are working harder than Improving and Stable colleges to shore up financial resources and stabilize enrollments. A question needing further investigation, however, involves whether the exclusive focus on operational approach items hinders these schools as they attempt to dig out from their holes. Contrary to previously conducted research, the Improving and Declining colleges in this study look much more similar in strategy usage during the 1980s than do the Improving and Stable or Stable and Declining groups. The critical difference appears to lie in the mix of strategies employed by each group: while both Improving and Declining colleges employ a mix of operational

and strategic approach strategies, the Improving schools place more emphasis on the latter with Declining colleges placing more emphasis on the former.

Testing Chaffee's Assertions

The findings provide some confirmation for Chaffee's assertions. First, the experience of the Improving colleges provides support for the notion that a mix of interpretive and adaptive strategy is the preferred approach. Second, the greater usage of interpretive strategy by the Improving colleges supports Chaffee's conclusion that while a mix in strategy is ideal, interpretive strategy plays a greater role in facilitating resiliency. In general, adaptive strategies were used to a much lesser extent across all three groups than the interpretive strategies. Improving colleges had the highest usage scores on interpretive items related to mission, trustees, and external focus, while Declining colleges had higher frequency scores on adaptive strategy items related to recruitment, research and planning, resource conservation, and strategies reflecting increased receptiveness to change.

Relationship Between Strategy Usage and Institutional Performance

The correlation analysis revealed several interesting findings. First, and not surprisingly, the employment of retrenchment-type strategies goes hand-in-hand with a deteriorating enrollment and financial condition. Second,

several strategies appear to contribute to increasing enrollment and/or an improving condition: adding graduate level courses/programs, initiating truly innovative programs, increasing emphasis on new markets, (e.g., adults, high school "early enrollees"), and increasing fundraising efforts with business and industry. Taken together, these findings suggest that an expansionary mode of operation (doing a combination of things with all designed to expand the boundaries) contributes to increased enrollment and an improving overall condition. It also suggests that, in the face of decline, cutting back and conserving resources may not be the best strategy for spiraling oneself out of a deteriorating condition. Regression analysis results further confirm the role of an expansionary mindset as a key to enrollment growth and an improving institutional condition. Specifically, enrollment-increasing institutions were more likely to have enhanced transfer recruitment efforts, developed new off-campus programs to serve new clientele, and used geodemographic marketing analysis to identify new markets. Revenue-increasing institutions were more likely to have employed creative efforts to meet student needs as well as deliberate attempts to use gift money to reduce reliance on tuition income. Finally, improving-condition institutions were more likely to have implemented special programs for high ability students, expanded fundraising efforts (including activities directed

toward alumni), and to have senior administrators who demonstrate care and concern for the individual welfare of students. Regression analysis conducted to test for the usefulness of the regrouped variables rendered little in the way of usable results. For the CCC schools, institutions drawing a higher percentage of students from in-state or, with a higher percentage of residential students experienced greater improvement in overall institutional condition during the 1980s.

Open-Ended Comments

Open-ended responses provided further affirmation for findings cited earlier. First, in response to the question, "To what do you attribute changes in your financial condition during the 1980s?", Improving and Stable colleges listed many more positive items than the Declining colleges. On the other hand, Declining colleges listed many more negative items than the other two groups. Improving schools were more likely to list interpretive items such as great visionary leadership, strong mission and ethos, and success at responding accurately and quickly to market opportunities as reasons for their changing condition. Stable and Declining colleges were more likely to point to adaptive items in explaining change in their financial state: improving financial management or fiscal management, enrollment stabilization or declining enrollment, etc. When asked to identify the greatest challenges currently facing

them, Improving and Stable colleges listed items such as managing growth, external influences, and spiraling financial aid costs and building maintenance and physical plant needs, while Declining colleges repeatedly mentioned their need to strengthen financial reserves and cap spiraling financial aid demands on the budget.

Summary

This chapter presents the results of the analyses which were conducted for this study. The three research objectives provided the organizing framework for the presentation and discussion of findings. Chapter V provides a synthesis of the most important of these findings along with possible implications for institutional response and recommendations for further exploration of this topic.

CHAPTER 5

SUMMARY, CONCLUSIONS, IMPLICATIONS, AND RECOMMENDATIONS

Much has been written over the past quarter of a century about the impending gloom settling over the American higher education landscape. And, for one sector in particular -- the small, private, less-selective, special purpose institution -- the warnings seemed particularly dire. Nonetheless, while some of the higher education community have experienced varying levels of pain in response to the growing environmental turbulence and complexity, many colleges have done surprisingly well. A particularly interesting aberration is the resiliency of Christian liberal arts colleges, a sector fitting well the description of the type of college predicted by many to be especially at risk to the challenges of the 1980s and 1990s. As data obtained for this study show, these institutions, on average, have stronger enrollments in 1991 than in 1981, and several have improved their overall financial condition during the period from 1981 to 1991.

Summary

The primary purpose of this study was to better understand this anomaly. Specifically, how might one

account for the various instances of resiliency found among the Christian liberal arts colleges? To address this question, the researcher used as her population the 82 North-American members of the Christian College Coalition, an association of small, less selective, Christian liberal arts colleges (a list of these institutions can be found in Appendix 1). Three objectives provided the organizing framework for the research: 1) to ascertain the current financial condition of the Christian college sector and how this sector has changed during the period from 1981 to 1991, 2) to identify specific management strategies or tools used by the Christian colleges during this same period, and 3) to determine whether there is a statistically significant relationship between the use of specific management strategies and changes in institutional condition. The latter two objectives were addressed in order to better understand why some Christian colleges but not others have been successful in achieving and/or maintaining resiliency in the face of changing environmental conditions. This researcher's secondary objective involved testing Chaffee's (1984) assertion that a strategic approach which combines adaptive and interpretive strategy while placing slightly more emphasis on the latter can make the difference between decline and resiliency for a college or university.

Data were obtained for this study using the following methods: 1) enrollment data for each institution were

gained from the 1981 to 1991 editions of the College Board Handbook, 2) financial data for each institution were obtained from the Quantum Research Corporation's CASPAR database, and 3) strategy usage data for each institution were acquired through the administration of the Strategic Management Survey, an instrument developed by this researcher and consisting of 220 management strategy items (a copy of the survey instrument can be found in Appendix 2). Strategies selected for inclusion in the survey were items fitting within Chaffee's strategic management typology for adaptive or interpretive strategy or items identified in a literature review as having importance for institutional performance.

For analysis purposes, each institution was assigned an index rating, a measure incorporating the institution's performance (and "net changes" in that performance) on six key ratios for each year of the ten-year period 1981 to 1991. This index was used to categorize colleges into one of three groups for analysis: 1) Improving: colleges demonstrating significant increasing enrollment and financial performance between 1981 and 1991, 2) Stable: colleges demonstrating moderate or stabilizing enrollment and financial performance between 1981 and 1991, and 3) Declining: colleges demonstrating decreasing enrollment and financial performance between 1981 and 1991. In cases where the index did not appear to be a valid measure for

assessing institutional condition, other factors were taken into consideration in placing colleges into one of these three groups (e.g., institutional size, level and direction of enrollment and fund balance changes, etc.).

This study makes an important contribution to the research on successful college management in four important ways. First, virtually no research of this kind has been conducted using the Christian liberal arts college as the sample population. Thus, this research yields important and useful information for administrators and researchers who have a particular interest in the Christian college sector. Second, as noted in Chapter II, very little research has been conducted which links the use of specific management strategies with institutional performance measures. Consequently, this study should provide valuable insight as to how strategy works generally, but particularly with regard to the Christian college setting. Third, only a handful of studies conducted on this topic employ a timeframe for assessing change in institutional condition spanning beyond five years. The use of a ten-year timeframe in this study provides a broader and perhaps more valid framework for studying change and assessing the usefulness of particular strategies for improving institutional performance. Fourth, and finally, the researcher was unable to uncover any study using as broad a range of strategies in combination with a multi-dimensional measure for assessing

institutional condition and spanning the ten-year timeframe as is used in this study. The breadth of this research should further extend the work already conducted in this field and provide valuable information for administrators looking for insights on effective college management practices.

This researcher expected to find noticeable differences in institutional characteristics as well as in the strategies employed and attitudes exhibited between colleges that were improving, colleges that were declining, and colleges that experienced little to no change in institutional condition during the period 1981 to 1991. As expected, the research did yield significant distinctions between schools with differing conditions. Taken together, these distinctions provide a panoply of options which might be considered by institutions hoping to strengthen their positions. In the next section, the most important research findings are highlighted and discussed, followed by a summary of the most salient conclusions. This chapter concludes with a synopsis of possible implications for institutional practice as well as recommendations for further research in this field.

Discussion of the Results

The research yielded findings consistent with previously conducted studies as well as findings contradictory to previously conducted work in this field.

Some of the most interesting findings are described below.

Current State of the CCC Sector and Changes in the Sector
1981 to 1991

Clark's 1989 report on the status of the CCC sector depicted a worsening enrollment scenario for a considerable number of the CCC schools. Data obtained in the current study suggest that the impending enrollment crisis predicted by Clark has been averted. For example, since the mid 1980s, the CCC institutions in the aggregate have been experiencing stronger enrollment growth than the national average for all private four-year colleges. For example, the mean undergraduate headcount among CCC schools increased by 12% between 1981 and 1991, compared to 5% for all four-year privates. FTE increased over the same decade at a rate on par with the national average (12%). In general, the CCC schools fared worse than average during the first half of the 1980s and much better than average during the latter half of the decade.

Most significantly, more of the CCC schools are experiencing a growing FTE with the average increase much greater than was reported by Clark in his 1989 study. As of 1991, 54 of the 81 schools increased FTE during the 1980s with an average increase of 41%. An average decrease of 16% was reported by the 27 schools experiencing a declining FTE. Clark's study which spanned the early 1980s, i.e. 1980 - 1986, found only 30 schools experiencing FTE gains with an

average increase of 14%. Of the 41 schools in Clark's study experiencing a declining FTE, the average decrease was 12%.

For many of the CCC colleges, it appears that enrollment gains have come from increasing part-time and transfer student enrollments. Part-time undergraduate headcount enrollments increased by 53% during the 1980s, compared to a mere 8% increase for full-time undergraduate headcount. The increasing part-time enrollment trend is a disturbing one, particularly when it accompanies a declining full-time enrollment. For example, the financial difficulties encountered by the Declining colleges were no doubt accelerated in part by a corresponding shift in the enrollment composition. For example, the full-time undergraduate headcount at the Declining colleges declined an average of 7% between 1981 and 1991 (this was accompanied by a 22% increase in the part-time headcount). Since, part-time students typically generate less revenue for the institution (for example, they take fewer credits frequently paying a discounted tuition rate, and they usually live at home), an enrollment shift such as that experienced by the Declining colleges can prove financially lethal over time. While the Improving colleges also experienced a significant part-time undergraduate enrollment increase (103%), these colleges also increased in full-time enrollment (32%). The increase in part-time enrollment was more modest among the Stable colleges (38%) as was the full-time enrollment

increase (2%).

While the proportion of part-time to full-time undergraduate enrollment increased in the aggregate from 10% to 13% between 1981 and 1991, the CCC schools continue to enroll a primarily full-time, residential undergraduate population. In 1991, approximately 87% of the CCC undergraduate enrollment was full-time compared to a national average for all four-year privates of 80%. CCC schools on average have become more residential over the past decade. Approximately 80% of the student population resided on campus at CCC schools in 1991 compared to 76% in 1981. Moreover, the CCC sector is considerably more residential than the norm. For example, in 1991, the national on-campus residence average for four-year privates was 69%. Since their inception, the CCC schools have claimed as a central distinctive an educational experience which impacts all aspects of the student's life. Such a distinctive would be nearly impossible to realize without a significant investment on the student's part in the life of the campus. On the surface, the high percentage of CCC students living on campus and enrolled full-time suggests that these schools have generally not strayed very far from their original focus.

Other evidence further supports the notion that the CCC schools have not strayed far from their original missions. For example, while more CCC schools are in the graduate

education business than was the case a decade ago (39 offered graduate programs in 1991 compared to 21 in 1981), the majority of the schools offer only a handful of programs at the graduate level (of the 39 schools offering graduate programs in 1991, 31 (79%) offer 4 or fewer programs). Clearly, the primary academic focus at CCC schools remains centered on the undergraduate experience. Moreover, the CCC schools continue to offer a fairly narrow range of undergraduate programs (an average of 32 in 1991 versus 27 in 1981), suggesting that students are attracted to these colleges for reasons other than program breadth and variety in program offerings. This contradicts the findings cited in Chapter II in which academic program breadth and number of programs offered were found to correlate positively with enrollment growth. The faculty-to-student ratio on average has changed little over the past decade (15:1 in 1991 versus 16:1 in 1981), meaning that students enrolled in CCC schools most likely continue to get the kind of personal attention and support from faculty that these colleges are noted for providing.

On the down side, the CCC schools have made only marginal gains in increasing the ethnic diversity of their student bodies between 1981 and 1991. The percentage of the student body comprised of persons from minority backgrounds increased only slightly during this period, from an average of 7% in 1981 to 9% in 1991. At four-year privates

nationally, ethnic minority student representation increased from 15% to 19% during this same period. Perhaps the fact that the CCC campus remains a largely white environment is not surprising, considering that only one survey respondent (out of 65) noted as a critical concern for the future the need to increase campus diversity. Whether the lack of diversity at CCC schools is intentional, whether CCC college administrators have necessarily been drawn to other concerns and agendas, or whether minorities simply do not find the Christian college campus and culture a welcoming ethos is not clear. However, given the increasing globalization of American society and given the fact that much of the new growth in higher education in future years is predicted to come from ethnic minority groups, the lack of progress on this front among the CCC schools is disconcerting to this researcher.

There are vast differences in how the CCC schools have fared enrollment-wise by region as well as by location. For example, colleges located in the South/Southcentral and Northeastern regions of the country fared much better than expected during the 1980s, posting respective undergraduate enrollment increases of 29% and 20%. Colleges located in the Western and Northcentral regions of the country fared less well, recording enrollment increases of 11% and 2%, respectively. Taking into account regional differences in the declining high school graduation pool as well as

national college growth rates for all four-year privates between 1981 and 1991, the CCC schools in the Northeastern and South/Southcentral did better than what might have been expected, schools in the Western region performed about on par with the national norms, and schools in the Northcentral region of the country performed much worse than expected.

With regard to location, CCC schools in rural and suburban areas experienced stronger enrollment growth on average during the 1980s than schools located in urban areas. As noted in Chapter IV, the urban setting may be a disadvantage for a Christian college. The type of student (and parent) typically drawn to a Christian college experience may be more attracted to a campus that is at least minimally set apart somewhat from the rest of the world. In any event, these findings suggest that location and changes in the drawing pool of eligible high school students had differing effects on the enrollment performance of the CCC schools and may have impacted to varying degrees the well being of particular schools during the 1980s.

A particularly interesting finding and one contradictory to previous research involves the breadth of an institution's student recruitment pool. Previously conducted research (Hilpert, 1987; Zammuto, 1983) suggested that colleges with primarily national markets sustained enrollments significantly better than colleges which draw their students primarily from within the state. The reason

offered by researchers was that because changes in the size of the high school pool and economic conditions varied substantially from state-to-state, colleges with broader drawing markets were better equipped to weather turbulent times. This study found that colleges improving in enrollment during the 1980s drew a higher percentage of students from within state than colleges with decreasing enrollments. Since this finding mirrors what Buffington found in her 1990 study, and since the population for both studies included less-selective, private liberal arts colleges, one could speculate that this finding may be unique to small, less well-established private colleges. For example, as families became increasingly concerned during the latter half of the 1980s about spiraling college costs, they may have been more willing to pay the price to send a child across the country to a prestigious private college than to a small, less-distinguished Christian college. Subsequently, less prestigious Christian colleges dependent upon a national pool of students may have been disadvantaged as growing numbers of students began choosing colleges closer to home or going away to colleges with stronger reputations. At the same time, Christian colleges with strong regional reputations and large in-state recruitment pools may have had an advantage in the face of these changing dynamics.

Some research suggests that colleges wishing to

increase enrollments should focus on strengthening their academic reputations (Breneman, 1983; Mingle & Norris, 1981). Interestingly, the Improving colleges reported a significantly greater strengthening of academic standards as well as improvement in student academic ability levels (as measured by college entrance exams, high school rank, etc.) than the Stable or Declining colleges. Improving colleges also reported higher admissions conversion rates than other CCC schools or national four-year private norms, suggesting that more effective recruitment operations may have been put in place at the Improving schools. In general, the CCC schools still have higher acceptance rates than the national average, a matter of concern particularly to colleges with weaker financial conditions. At the same time, the CCC schools convert applicants and accepted students at a much higher rate than the national average. This might be explained in a couple of ways: 1) Christian colleges may potentially draw better connected students (i.e., students who have some prior affiliation or connection with the institution through church, camp, family, or friends) who have already bonded with the campus before they even set foot in the door, and 2) students who are attracted to colleges with more narrowly defined missions such as the CCC schools may be more focused in their college selection process and be more apt to follow through with the enrollment process.

At the same time, schools across the CCC sector report an aggregate increase of about 11% in the percentage of provisionally admitted freshmen and freshmen needing remediation in basic skill areas. Whether CCC schools are actually enrolling less well-prepared students or whether they are simply giving more attention to these students (e.g., a retention strategy receiving increasing attention on many campuses involves identifying and assisting underprepared students) than they did ten years ago is unclear. Because there are no national norms for this variable, it is difficult to assess change in this area vis-a-vis other institutions.

While enrollment gains have in many cases been significant across the CCC sector during the 1980s, the financial measures examined in this study provide a very different and somewhat troubling picture. At best, the financial condition of a majority of these schools might be described as "fragilly stable." The increasing part-time enrollments (which in many cases accompanied declining full-time enrollments), increasing financial aid spending, and increasing tuition dependence coupled with decreasing revenue from other sources (such as private giving and endowment earnings) and spiraling expenditures appears to have left a significant number of the CCC schools in a profoundly weakened financial position. Moreover, the majority of these schools have only minimal financial

cushions, meaning that these colleges are highly vulnerable to even slight fluctuations in enrollment and the host of other variables by which small colleges might be held captive.

Indeed, the warning signals are disconcerting: 1) no CCC school met the minimum threshold for the ratio of expendable fund balances to plant debt, an important indicator of financial strength, 2) only a handful of schools met the minimum threshold for the ratio of total assets to total liabilities, a rough indicator of the amount of "cushion" available for debt coverage, and 3) the revenue trends between 1981 and 1991 suggest that even for those schools experiencing some enrollment and revenue growth, expenses are increasing at a rate faster than what the current revenue streams will support. These indicators, coupled with the open-ended survey responses suggest that the most pressing priorities for many of the CCC schools include the following: 1) strengthening financial reserves; 2) strengthening revenue-generation efforts; 3) controlling financial aid spending (without negatively impacting enrollment), and 4) implementing a more strategic financial management approach, i.e., effecting a selective pruning of resources while allocating funds to support new initiatives, particularly efforts which could generate additional revenue.

Taken together, the data examined in this study suggest

that the CCC schools making the most progress during the 1980s shared several common features: 1) a rural or suburban locale (a Northeastern U.S.A. or South/Southcentral U.S.A. location); 2) a higher than average percentage of in-state student enrollment; 3) an increase in the on-campus population; 4) an increase in part-time and full-time undergraduate enrollment; 5) moderate graduate enrollment growth; 6) an improvement in academic standards; 7) a higher than average new student conversion rate, and 8) moderate undergraduate program growth. The next section summarizes the findings related to strategy usage and the relationship between strategy usage and changes in institutional condition.

Strategy Usage and its Relationship to Changes in Institutional Condition at CCC Schools

Some researchers (Carter, 1985; Finkelstein, Farrar, & Pfinster, 1984) have suggested that in response to declining enrollments and increasingly competitive market conditions, many of the small, less-selective liberal arts colleges are recasting their missions in favor of either a more professional orientation and curricula or a less religious campus climate. The results of the Strategic Management Survey administered for this study suggest that this finding does not hold true for the majority of the Christian College Coalition schools. Indeed, survey results suggest that retaining and nurturing a Christian liberal arts mission are

of utmost importance to the CCC schools. At the same time, several respondents noted in their open-ended responses a growing tension between their efforts to cultivate this mission on their campuses and the influence of external factors such as accreditation and other regulatory requirements and societal pressures. Several schools, most of which have been in an expansionary mode over the past several years, also noted the tension between retaining a strong mission focus while expanding programs and pushing campus boundaries outward. While mission affirmation is clearly a vital concern, it appears that many of the CCC schools are in an unsettling transition stage by trying to hold on to values and a mission they strongly believe in while making the changes that are necessary for survival.

Other survey items around which there were considerable agreement focus on the "relational tone or culture of the campus." More so than enrollment, financial, and even academic concerns, CCC schools place priority on serving students and on creating and nurturing a caring campus climate. According to survey results, a distinctive of these schools might very well be the inordinate emphasis that faculty and staff place on people and relationships. Among the items receiving high usage scores are nearly all of the strategies related to nurturing a caring campus climate and improving the student experience. Despite declining revenues and minimal-to-non-existent financial

reserves, many of these schools have made substantial commitments during the 1980s to improving student services and programs.

At the same time, items receiving the lowest usage ratings include nearly all of the financial retrenchment-type strategies and strategies which might detract schools from their Christian liberal arts mission. No doubt, the havoc and turmoil which could potentially result from implementation of these strategies is contradictory to the type of ethos these schools are trying to sustain. Nonetheless, many of these schools admit in their open-ended responses a need to prune and shore up their resources. Ironically, the campus culture may, in some cases, be the most potent deterrent to achieving resiliency.

When the survey results are examined by the three institutional groups--Improving, Stable, and Declining--a number of provocative findings emerge. As noted earlier in this chapter, the primary purpose of this study was to account for the instances of resiliency found across the Christian College Coalition population. As expected, the Improving colleges in this study are clearly differentiated from both the Stable and the Declining colleges on several key variables. Perhaps, most unusual, is the fact that the resiliency of the Improving colleges does not seem to be attributable exclusively to any one strategy or variable. Instead, the Improving colleges are doing a number of things

which, in combination, appear to be providing the right conditions for institutional success for these particular schools.

Taken together, the Improving colleges are doing and emphasizing to a greater extent than the other two groups a number of things which some researchers have bundled together and called a "strategic management approach." According to several studies conducted over the past several years (Cameron, 1989; Cyert, 1978; Hambrick & Schecter, 1983; Hamlin & Hungerford, 1988; Hofer, 1980; Parker, 1987; Peck, 1984; Rubin, 1979), the employment of a "strategic management approach" is a critical differentiating variable between successful and less resilient institutions or organizations. This research further confirms this notion.

In further examining the kinds of strategies employed by the Improving colleges in this study four general clusters can be identified. First, the Improving colleges consistently exhibited a slightly stronger commitment to mission and purpose than the other two groups. They were more apt to have revised and/or strengthened their mission and were more likely to refer to their mission in everyday decision-making. Having clarity and strength of mission may contribute to institutional resiliency in at least two key ways: 1) A strong sense of mission, when effectively communicated can be exciting and motivating for internal as well as external constituencies. People are undoubtedly

more willing to follow and support an institution that has a clear and compelling "story to tell." 2) The most effective and powerful leveraging of resources is typically undergirded by a clear understanding of institutional position, capabilities, potential, and liabilities. Particularly when resources are limited, it is critical that resources be invested to support those efforts which will yield the greatest return. A strong mission provides a powerful mechanism for prioritizing and allocating scarce resources.

Second, the Improving colleges were more likely to have made substantial contributions to improving the quality of student life. For example, these colleges were more likely to have made changes to improve such things as religious life programs, student services, academic support, academic advising, and career planning services. Such improvements undoubtedly denote considerable concern for and attention to the student experience. While this study did not examine student retention rates, one might surmise that such a visible commitment to students could indirectly impact retention and recruitment effectiveness. Students may be more attracted to a campus or be more apt to stay at a campus where they feel that their needs and concerns are being addressed.

Third, the Improving colleges exhibited slightly more concern than the other two groups for enhancing the overall

campus culture. These colleges reported more positive communication and relations between various campus factions, greater efforts to improve internal communication and information flow processes, and greater strides in improving the campus climate. Whether such results flow naturally from the kind of momentum one gets when things are going well, or, whether such results directly contribute to conditions of resiliency is unknown. In either event, it is probably safe to conclude that a positive campus spirit and sense of morale are important to achieving a state of well-being.

Fourth, and finally, the Improving colleges were more apt to be focused on improving the quality and effectiveness of their institutions. They were more likely to have engaged in strategic planning, expanded recruitment and other revenue-enhancing efforts, enhanced relationships with external constituencies, engaged in innovative ventures, and moved into new domains of activity. In a world where the boundaries between organizations and their external environments are increasingly more fluid and where organizations are increasingly dependent upon such environments to sustain an adequate resource flow and base, it is perhaps not surprising that efforts such as those mentioned above could positively contribute to institutional success. Such efforts also go a long way in strengthening one's image vis-a-vis important support networks.

Much can also be learned from examining the experiences of the Declining colleges. For the most part, this group included colleges which were among the strongest of the Coalition population in the early 1980s. For a variety of reasons, these schools declined in enrollment and financial status over the decade of the 1980s and, in 1991, were at a point well below much of the rest of the sector. The open-ended responses support the notion that these schools are clearly the most taxed of the three groups. Several of the Declining college respondents noted that they had experienced severe periods of distress and turmoil during the 1980s and were now trying to dig themselves out of the holes into which they had fallen.

In contrast to the Improving colleges, the Declining colleges have focused significantly more attention than the other two groups in three areas: 1) the Declining colleges report much higher usage on nearly all of the financial retrenchment-type strategies, 2) the Declining colleges report much higher usage of planning and research strategies and tools, and 3) the Declining colleges report greater usage of specific recruitment and retention strategies. Given the worsening conditions these schools have experienced during the 1980s, it is not surprising that they have cut back on resources while trying to figure out what went wrong. It is also not surprising that the Declining colleges may be seeking a short-term fix through increased

enrollment. However, such a focus suggests that the Declining schools may be viewing their problems exclusively in resource allocation terms. As noted in Chapter IV, such a focus can be detrimental to declining institutions and can further fuel the spiral of decline. An exclusive focus on cutting-back and preserving limited resources without a concurrent growth strategy can, over time, leave a campus demoralized and further weaken efforts to recruit students and gain support from important constituencies.

The results of the correlation and regression analyses further support the notion that an expansionary mode of operation may be an essential key to long-term resiliency. Enrollment-increasing schools were more likely to increase fund-raising efforts, expand recruitment markets, develop and implement new on-campus and off-campus programs, add graduate level programs and courses, and experiment with innovative programs. Moreover, the nurturing of a caring campus ethos as reflected in creative efforts to meet student needs and senior administrators who demonstrate care and concern was found more often among enrollment-increasing schools. Financial cut-back strategies correlated inversely with both enrollment and financial growth, providing further support for the notion that an exclusive emphasis on resource conservation is neither wise, nor necessarily fruitful.

With regard to Chaffee's (1984) typology, this research

provides clear support for the use of a mix of interpretive and adaptive strategy. As defined by Chaffee (1984), the two types of strategy can be differentiated according to the nature and focus of activity described by each model as well as by the beliefs and values underlying each strategy type. For example, "adaptive strategy" refers to activities such as marketing, planning, research, and environmental assessment, and is premised on the belief that the organization and its parts continually change in response to changing consumer preferences. On the other hand, "interpretive strategy" refers to topics such as organizational saga, mission, and leadership, and is premised on the belief that organizational leaders can effectively shape organizational movement by the way in which they communicate important messages and meanings to institutional constituencies. The CCC schools were generally more likely than the private liberal arts colleges in Chaffee's study to use interpretive strategy. Because of the long-held dependence so many of these schools have had on sponsoring denominations and other important external constituencies, the CCC colleges may by their very nature employ a more interpretive approach. However, among the three groups, the Improving colleges placed slightly more emphasis on interpretive strategies, particularly with regard to mission, trustees, and their overall external orientation. In fact, it appears that mission and strong

leadership (as indicated by open-ended responses) are the two most important interpretive strategies exhibited by the Improving colleges.

With regard to adaptive strategies, the Improving colleges placed more emphasis on strategies to attract or retain students and to change products and/or services. Overall, the Improving colleges employed a fairly balanced mix of adaptive and interpretive strategy with slightly more emphasis on the interpretive strategies. As suggested by Chaffee, it could be that while both types of strategies facilitate growth and well being, it is the extent to which interpretive-type strategies are employed that determines the degree of resiliency ultimately experienced.

Conclusions

The findings of this research study suggest a number of conclusions which are summarized below:

1. The enrollment and financial data obtained for this study suggest that the condition of the CCC sector is, at best "fragilly" stable. While the sector has made significant enrollment gains during the 1980s, nonetheless, many schools are less well off financially in 1991 than they were in the early 1980s. For a growing number of schools, revenues have not kept pace with expenses. Dependence on tuition as the primary source of revenue has increased while other important revenue sources appear to be shriveling up, i.e., private giving and endowment. A growing percentage of

tuition revenue is being funneled back into student financial aid; and part-time undergraduate enrollment seems to be growing at a rate faster than full-time enrollment. Finally, the financial cushion at a large number of the CCC schools is minimal to non-existent. Taken together, these measures suggest that the sector emerged from the 1980s in a profoundly weakened financial state and that strengthening financial management should be a key priority for the 1990s.

2. Despite extensive programmatic changes made by many of the CCC schools during the 1980s, the sector has generally not strayed far from its original Christian liberal arts mission. Demographic data portray the majority of schools as primarily undergraduate and residential in focus, catering to white, traditional-aged college students. Survey data suggest that most CCC schools are quite concerned about retaining and nurturing this mission. At the same time, many of the schools report a growing sense of mission tension, due to increasing regulatory interference, societal pressures, and programmatic and market expansion efforts.

3. The results of this study suggest a number of possible explanations for why some CCC schools have achieved greater levels of resiliency than others over the past decade. The Improving colleges in this study are differentiated from the Stable and the Declining colleges both by inherent institutional characteristics and by the

strategies that they have implemented. Regarding institutional characteristics, the Improving colleges were more likely to be located in rural or suburban areas, suggesting that an urban location could potentially be a disadvantage for a Christian college. Improving colleges were also more likely to enroll a significant percentage of in-state students, suggesting that Christian colleges may be helped by expanding markets closer to home. Regarding specific actions, the Improving colleges were more likely to have strengthened academic standards, expanded their residential population, added new markets, and increased both part-time and full-time undergraduate enrollment. In general, the Improving colleges exhibited a stronger commitment to mission, made greater strides in improving the quality of student life as well as enhancing the overall campus climate, and adopted an effectiveness and expansionary mode of operation. One obvious factor is that the Improving colleges engaged in a greater number of programs and strategies, and did them more frequently, than the Stable or Declining colleges. Perhaps more important than the use of any specific strategy is the mix of strategies employed and the general level of overall activity.

4. The regression and correlation analyses uncovered a number of specific characteristics and/or actions which positively impact enrollment and/or financial growth: adding graduate level programs/courses, developing and implementing truly innovative programs, expanding recruitment markets (transfer and adult specifically), developing new on-campus and off-campus programs, increasing fund-raising efforts, implementing creative efforts to meet student needs, and having senior administrators who demonstrate care and concern for students. Taken together, these actions further support the importance of an expansionary stance and the role of the campus environment to institutional resiliency.

5. With regard to Chaffee's (1984) typology, interpretive strategies were used more frequently than adaptive across all institutions. The Improving colleges employed a broad mix of both adaptive and interpretive with slightly more emphasis on the interpretive strategies: mission, trustees, and external focus. Specifically, the Improving colleges were more likely to have strengthened and clarified their mission, to have referred to their mission in everyday decision-making activity, to have improved and involved their trustees, to have improved relations with their sponsoring denomination, and to have improved development and public relations efforts. When open-ended responses were taken into consideration, mission and

effective leadership seemed to be the two interpretive-type characteristics having the most significance for the Improving colleges. In general, the Improving colleges were more likely to have leaders who exhibited the kinds of presidential traits suggested in the research (Chaffee, 1984; Peck, 1984) as important for institutional resiliency: 1) entrepreneurial focus; 2) people-oriented administrative style; 3) intuitive decision-making style; 4) visionary and creative orientation, and 5) superb communication skills. The Improving college presidents appeared to be successful in gathering campus members around a common core of values and a mission to which individuals could eagerly and affirmatively respond. These findings provide support for Chaffee's conclusion that while a mix of adaptive and interpretive strategy is useful, the interpretive approach is ultimately more helpful to achieving resiliency.

6. The experience of the Declining colleges provides valuable lessons as well. In general, the experience of these schools suggests that the management of declining conditions must be approached carefully and strategically. The typical response to decline, cut-back management, if employed exclusively, may actually accelerate the spiral of decline. It is important to stay in control of the process, cutting selectively, while finding ways to continue moving the institution forward.

Implications for Institutional Response

The literature reviewed in this study and the experiences of the 81 CCC institutions suggest that, when all is said and done, there is no finite prescription for resiliency. The experience of each of the 28 Improving colleges examined in this study is unique, impacted by a mélange of intervening factors. Perhaps more important than the use of any specific strategy or the role of any particular characteristic is the overall approach and the peculiar mix of factors in play at those schools achieving resiliency. While the following list of recommendations for institutional response attempt to capture the most important elements of this mix, the reader is cautioned that any institutional action must be contextualized to fit the unique environmental context in which each college resides.

With this in mind, the findings reported in Chapter IV of this study have led to the development of several recommendations for institutional response and suggestions of possible activities for colleges to consider:

1. Institutions should pursue a diverse and broad mix of strategies.

A review of the literature and the experience of the 81 colleges in this study reveal that the factors affecting institutional resiliency and/or decline are complex. More important than the specific strategies employed by an institution is the overall mix of strategies, the general

level of activity, and the cultural context within which the management approach is implemented. The Improving colleges in this study exhibited the highest level of activity over the past decade and were engaged in launching a wide variety of efforts simultaneously. By pursuing a wide range of strategy, colleges improve their chances that something will go right while reducing the potential impact of failed ventures. Moreover, there appears to be a synergistic force at work in the resiliency of the Improving colleges. In the deployment of a combination of diverse strategies, something took hold and catapulted these schools to higher levels of effectiveness. The force may not be a predictable one. Indeed, the specific strategy employed is probably not as important as the overall level of activity maintained and the unique mix of strategy employed.

2. Institutions should do everything possible to focus their mission, to effectively communicate this mission to important constituencies and to relate institutional decision-making and planning efforts to this mission.

Research confirms the importance of a strong, clear mission for marketing effectiveness. The experience of the Improving colleges in this study further affirms that a clear mission, if convincingly communicated, can enhance institutional effectiveness. Institutions which have a clear understanding of their unique niche in the higher education marketplace are likely to respond effectively to

the changing needs of the marketplace. Many side benefits accrue from a strong sense of mission: faculty and staff have a clear sense of where the institution is headed, thus enabling a more secure and motivating work environment, external constituencies may be more willing to support an institution that has a bright and exciting future, and the reference to mission in decision-making allows scarce resources to be utilized to support efforts which will yield the greatest return.

3. As resources continue to shrink, institutions should adopt a strategic approach to management.

The experience of the Improving colleges in this study confirms what much of the research suggests: a strategic approach to management is likely to be a more effective orientation during a declining period than a more conservative, operationally-based approach. Specifically, institutions should revise and/or clarify their missions, develop strategies and approaches which extend this mission, find effective means of communicating this mission to important constituencies, adopt an innovative stance, make selective but strategic financial retrenchment moves, strengthen relationships with important external constituencies, adopt a revenue-generating mindset, and do everything possible to enhance image, e.g., strengthen academic reputation and improve institutional leadership.

4. Institutions must realize the impact of external factors and institutional characteristics on efforts to achieve resiliency and should respond accordingly.

Previous research and the experience of the colleges in this study suggest that enrollment success can be greatly enhanced or hampered by the institutional characteristics of enrolled students (in-state, residential, high academic ability, etc.), by level of selectivity, as well as by external factors like location (region of the country and specific locale). Institutions should develop an understanding of how their unique context either helps or hurts their efforts to achieve success, and evaluate to what extent they are willing to make changes to meet new demands. If institutions are unwilling or unable to alter harmful practices or characteristics, then greater effort must be made in other areas to offset the potential damaging effects. (For example, if a college decides that its urban location is a major drawback in its recruiting effectiveness but is unable to relocate, marketing efforts should be redirected so as to play up the positive benefits of the urban location.)

5. Institutions should pay considerable attention to the role of leadership in facilitating institutional success.

A review of research and the experience of the Improving colleges in this study corroborate that quality of

institutional leadership is a key variable impacting efforts toward success. In the open-ended responses in which respondents were asked to indicate reasons for changes in institutional condition, more than half of the Improving colleges attributed their improving conditions to the effective leadership exhibited by their presidents during the 1980s. These leaders were frequently described as visionary, as risk-takers, as effective communicators, and as effective change agents, among other things. Chaffee includes presidential leadership as a variable in the interpretive model and attributes effective exertion of such leadership to symbolism and good communication.

Specifically, Chaffee suggests that effective presidents are able to mirror back to their followers both overt and obscure important institutional values and beliefs. In doing so, presidents help campus participants develop a greater sense of meaning for their individual institutional roles and activity, thereby creating a unified vision and sense of purpose across the campus. Effective communication skills are obviously essential for accomplishing this. If these attributes are also at work among the Improving college presidents in this study, then this research provides further confirmation for the value of an interpretive approach. Since the role of leadership was beyond the confines of this study, its impact on

institutional success among the CCC schools deserves further study.

6. Institutions should respond proactively to meet the perceived needs of students.

In this study, the Improving colleges made significant efforts to meet the educational and social needs of their prospective and current students. For example, these schools were more likely to have expanded the number of days and times that courses were offered, to have developed new off-campus programs, to have demonstrated increased sensitivity to market demands for "relevant" courses, to have improved student services, religious life programs, advising and registration processes, to have initiated special programs for high ability students, and to have strengthened academic support services. Each of the above items indicates a commitment on the part of these institutions to respond to the needs of the students they wish to attract and retain. Such a commitment can make a powerful statement to students regarding their value as members of the campus community. Indeed, students may be willing to forego the wide range of programs available at the large universities if they feel that they are in a place where they belong and where they will be cared for. Much of the current business literature suggests that "the effective organization of the 1990s stays close to its customers" (Peters, 1994). The same adage may be true for colleges:

successful colleges know their students, anticipate their needs and wants, and are committed to meeting these needs to the greatest extent possible.

7. Institutions should not neglect the role of the campus culture and climate in achieving institutional resiliency.

In addition to exhibiting a strong commitment to serving students, the Improving colleges also devoted considerable attention to enhancing the general campus culture. More than the Stable and Declining colleges, these institutions made changes to improve the campus climate, to strengthen the communication and information flow, and to nurture an environment where people demonstrated care and concern for each other. While this is undoubtedly an inherent value espoused by the majority of the CCC institutions, the Improving colleges exhibited this value to a greater extent. Moreover, the results of the regression analyses suggest that Improving institutions were more likely to have implemented creative efforts to meet student needs and to have senior administrators who demonstrate care and concern for the individual welfare of students and each other. It makes sense that a climate wherein faculty, staff, and students feel comfortable and supported, might positively impact institutional success. Faculty and staff who feel good about their role in the institution are apt to carry these feelings of good will over into their

interactions with students. Institutional leaders are advised to pay attention to the obvious as well as the obscure messages that are given to campus community members regarding their value to the institution. Any effort or achievement is dependent upon the hard work and commitment of many institutional players. The extent to which these players feel motivated and part of the team could potentially impact the level of achievement ultimately attained.

Limitations of the Study

As noted in Chapter I, the selection of any research methodology carries with it the potential for both advantages and drawbacks. Inherent in the peculiar nature of this particular research project are any number of limitations which could potentially limit the usefulness of the findings. Three such limitations were identified in Chapter I. The researcher took steps to moderate the possible influence of two of these limitations. These limitations and the steps taken to address the risks are described below.

The first limitation involves the methods employed to categorize institutions into the groups which were used for analysis. An index incorporating some of the more important indicators of financial health was used for the initial categorization. However, in the case of a handful of schools, the researcher found it necessary to consider other

factors in deciding in which group to place these colleges. Given the subjective nature of the group assignment process and the inherent lack of precision in assessing fiscal health, there was some risk of achieving results which were at best, soft, and at worst, invalid. In order to mitigate this risk, the researcher used the comments provided in the open-ended section of the survey as a check on the appropriateness of the group assignment. For example, if a college had been placed in the Declining group, comments such as "our school has been on a downward spiral over the past several years" were used to confirm the group assignment. In general, the nature of the open-ended responses coupled with the group performance trends on the enrollment and financial variables suggest that the colleges were appropriately and accurately categorized.

The second limitation involved the survey methodology used in this study. Survey methodology has two significant drawbacks: 1) respondents might not provide truthful or accurate responses, and 2) respondents might be unable to faithfully render accounts of past events. This risk was alleviated in part by the inclusion in the survey of two items, one of which asked respondents to evaluate their level of awareness of events transpiring between 1981 and 1991, while the other asked for the number of years the respondent has been employed at the institution. In addition, presidents had the option to distribute the four

survey sections to administrators of their choosing for completion (presumably administrators with extensive familiarity with the institution and the events of the 1980s). Since many of the presidents chose this option and since every survey respondent indicated at least moderate awareness of what has happened on his or her campus during the 1980s, it is assumed that the risk of obtaining inaccurate, and therefore, invalid information has been moderated.

The third and final limitation involves the higher response rate for the Improving colleges. As noted in Chapter IV, a higher percentage of Improving colleges responded to the survey (86% versus 80% of the Stable and 76% of the Declining colleges), a factor which could potentially result in skewed results. Given that the actual number of institutions responding by group is fairly well-balanced (24 Improving versus 19 Stable and 22 Declining), and given that a cursory review of the responding institutions suggests a typical distribution of institutions within each group, the researcher concluded that the risk introduced by this limitation was minimal.

Suggestions for Further Research

Since this study included a different sample and employed methodologies distinct from previously conducted research, the findings can only be considered as representative of the Christian college population. At the

same time, the research uncovered several conclusions which merit further testing and investigation. For example, according to open-ended responses, a number of the Declining colleges report being on the verge of a "turn-a-round." Given that the Declining colleges look much more similar in the nature and frequency of strategies used to the Improving colleges, an important question emerges. Since the Improving colleges were in very poor condition in the early 1980s, and since the Declining colleges now look very much like the Improving colleges did at the beginning of the decade, is there a time lag factor at work here? Are the Declining colleges now engaging in activities which will result in greater resiliency five to ten years hence? Likewise, given that the Stable colleges have maintained a lower level of activity than either the Declining or Improving colleges in nearly every regard, might the Stable colleges be headed toward a declining state? Lulled into complacency by fairly steady enrollments, are the Stable colleges missing out on key opportunities which could prove critical to their future? A follow-up study conducted in five to ten years would provide further validation of the results achieved here as well as a greater understanding of the factors influencing resiliency versus decline.

Given that no previously conducted research has employed as broad a framework for investigating how strategy works as is used in this study, it would be interesting to

see if the same variables emerge with different sample populations. For example, since more prestigious colleges tend to be less reliant upon the local market of students, would the high ratio of instate students still correlate positively with enrollment growth? Likewise, would the number of academic programs offered have a greater impact with other institutional types? In any event, it would be useful to conduct this study with other institutional types. As insinuated in Chapter IV, this researcher speculates that the uniqueness of institutional type impacts the extent to which specific variables influence success in a given setting as well as the particular mix of strategy required to bring about that success.

The qualitative information provided in the open-ended section of the Strategic Management Survey adds a wealth of information that has not been adequately dealt with in this study. Further insight into the experiences of the CCC schools could be gained by the collection of additional qualitative data such as on-site visits, oral interviews, document review, and small-group discussions with campus participants regarding what has happened on these campuses between 1981 and 1991. In particular, it would be interesting to conduct an intensive on-site study at the sample of schools experiencing the greatest improvement and the greatest decline during this period. While research of this nature was beyond the scope of this study, a follow-up

examination of this type would be invaluable to understanding how resiliency and decline happen.

The findings of this study suggest that mission and leadership are particularly important variables for the CCC schools. These findings confirm the findings of several other studies which have been conducted in recent years. It was beyond the scope of this study to examine these variables in depth. Additional research which separates out mission and leadership and examines in-depth the relative impacts of each on institutional performance would be insightful. It would be especially helpful to identify more clearly the specific kinds of attributes required for effective leadership in the Christian college setting. While the open-ended responses hinted at what some of these may be, e.g., good communicator, visionary thinker, a more in-depth examination of the subject would certainly shed further light on this finding.

Finally, it has been demonstrated in this study that it is difficult, if not impossible, to identify and explain the impact of any one variable or strategy on institutional performance. Instead, it appears that resiliency is aided by the adoption of a particular mix of strategies and that the formula for success is unique to each institutional context. Indeed, the findings of this study suggest that the cultural context exerts inordinate influence on what works and how it works. At the same time, this does not

mean that further research will not provide additional insight as to how strategy actually operates in the college setting. Researchers simply need to keep in mind that variables and strategies rarely act or can be examined in isolation from each other and that the cultural context and its influence must be considered in interpreting the meaning of any finding. Given the dearth of research on this topic, and given the findings uncovered by this study, this researcher suggests additional examination of the role of the campus culture in efforts to achieve success. In particular, it would be helpful to learn more about how cultural dynamics and constraints facilitate and impede conditions for success, how the culture interacts with specific sets of strategies, and the types of strategies most effective in differing cultural contexts.

APPENDIX 1
LIST OF NORTH-AMERICAN MEMBERS OF THE
CHRISTIAN COLLEGE COALITION

LIST OF NORTH-AMERICAN MEMBERS OF THE CHRISTIAN COLLEGE
COALITION

Anderson University	Milligan College
Asbury College	Mississippi College
Azusa Pacific University	Montreat-Anderson College
Bartlesville Wesleyan College	Mount Vernon Nazarene
Belhaven College	North Park College
Bethel College (IN)	Northwest Christian
Bethel College (KS)	Northwest College of the
Bethel College (MN)	Assemblies of God
Biola University	Northwestern College (IA)
Bluffton College	Northwestern College (MN)
California Baptist College	Northwest Nazarene
Calvin College	Nyack College
Campbellsville College	Olivet Nazarene U.
Campbell University	Palm Beach Atlantic
Cedarville College	Point Loma Nazarene
Central Wesleyan College	Roberts Wesleyan College
Colorado Christian University	Seattle Pacific U.
Covenant College	Simpson College
Dallas Baptist University	Sioux Falls College
Dordt College	Southern California
Eastern College	Southern Nazarene U.
Eastern Mennonite College	Spring Arbor College
Eastern Nazarene College	Sterling College
Erskine College	Tabor College
Evangel College	Taylor University
Fresno Pacific College	Trevecca Nazarene College
Geneva College	Trinity Christian College
George Fox College	Trinity University
Gordon College	Warner Pacific College
Goshen College	Warner Southern College
Grace College	Western Baptist College
Grand Canyon University	Westmont College
Grand Rapids Baptist College	Wheaton College
Greenville College	Whitworth College
Houghton College	William Jennings Bryan
Huntington College	
Indiana Wesleyan University	
John Brown University	
Judson College	
King College	
The King's College	
Lee College	
LeTourneau University	
Malone College	
The Master's College	
Messiah College	
Mid-American Nazarene College	

APPENDIX 2
SURVEY INSTRUMENT

Loyola University of Chicago
Higher Education Program
Department of Leadership and Policy Studies

INSTITUTIONAL CODE _____

STRATEGIC MANAGEMENT SURVEY
OF CHRISTIAN COLLEGE COALITION INSTITUTIONS

Name of Institution: _____

Person Responsible for Coordinating Completion of Survey:

Name: _____

Title: _____

Telephone Number: (____) _____ Extension: _____

Note: An institutional code number has been assigned to each institution, and we are asking those who complete different sections of the survey to identify themselves. This is done to ensure a certain level of consistency in responses across all institutions. However, all information will remain confidential. No individual institution's response will be identified or used. Only aggregate figures will be included in the write-up of this research project.

Institutional Code _____

STRATEGIC MANAGEMENT SURVEY

SECTION I: OVERALL INSTITUTIONAL STRATEGY AND PRIORITIES

Please Note: An institutional code has been assigned to each institution and we are asking those who complete different sections of the survey to identify themselves. The code is used in order to match institutional responses with data which are being obtained from other sources as well as to ensure consistency in individual responses across institutions. However, all information will remain confidential. No individual institution's response will be used. Only aggregate figures will be included in the write-up of this research project.

Completed by: _____

Title: _____

Telephone Number: (_____) _____ Extension: _____

Responses to this survey are based upon (please check all that apply):

- _____ Your personal experience working at this college
Please specify the number of years you have been at this college: _____
- _____ Knowledge gained from sources other than your personal experience (i.e., other staff, faculty, historical data/reports, etc.)
- _____ Other (please specify: _____)

Please rate your general level of awareness regarding the events which have transpired at your institution during the period 1981-1991: (please circle the appropriate numbers)

No Awareness		Somewhat Aware		Very Aware
1	2	3	4	5

Instructions: The following questions may be answered by filling in a blank or circling the appropriate number to designate your response. Feel free to make comments throughout the survey. There is an open-ended question at the end to provide you an opportunity to express your opinion and to make any additional comments not previously addressed in the survey. This survey should take no longer than 15 minutes to complete.

1. To what extent have the following activities been pursued by your college in the past ten years (1981-1991)?

	Not At All Extent	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Expanded recruitment efforts	1	2	3	4	5
Expanded fund-raising efforts of president	1	2	3	4	5
Efforts to increase gifts/grants from benefactors	1	2	3	4	5

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Increased public awareness efforts of president	1	2	3	4	5
Changed programs to meet current trends	1	2	3	4	5
Added new academic programs	1	2	3	4	5
Strengthened community financial support	1	2	3	4	5
Strengthened community program support	1	2	3	4	5
Efforts to increase gifts/aid from sponsoring church	1	2	3	4	5
Strengthened relations with sponsoring church	1	2	3	4	5
Creative efforts to meet student needs	1	2	3	4	5
Strengthened athletic programs	1	2	3	4	5
Expanded retention efforts	1	2	3	4	5
Strengthened public relations function	1	2	3	4	5
Strengthened quality and effectiveness of trustees	1	2	3	4	5
Improved campus information systems	1	2	3	4	5
Improved budgeting and cost-control systems	1	2	3	4	5
Organizational restructuring	1	2	3	4	5
Developed and implemented strategic plan	1	2	3	4	5
Hired more competent administrators	1	2	3	4	5
Strengthened the development/fund-raising function	1	2	3	4	5
Released less competent administrators	1	2	3	4	5

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Cut back athletic programs	1	2	3	4	5
Increased emphasis on strategic planning	1	2	3	4	5

2. To what extent are the following statements characteristic of your college in the past ten years (1981-1991)?

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
The college operates under a liberal arts mission	1	2	3	4	5
The college is appropriately Christian in its character	1	2	3	4	5
The mission statement has been reaffirmed	1	2	3	4	5
The mission statement has been revised	1	2	3	4	5
The mission statement is referred to for guidance in major decision-making	1	2	3	4	5
There is an effective means of conveying the college's mission to the public	1	2	3	4	5
A spirit of entrepreneurship is encouraged and innovative ideas are rewarded	1	2	3	4	5
This college has a special identity, unlike any other in higher education	1	2	3	4	5
There is a general sense that this college has a distinctive purpose to fulfill	1	2	3	4	5
People associated with this college share a common definition of its mission	1	2	3	4	5
Those who make a personal or financial investment in this institution believe that they receive an ample return	1	2	3	4	5

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Major decisions are very centralized	1	2	3	4	5
Innovative activity at this college is increasing	1	2	3	4	5
Morale is increasing among members of this institution	1	2	3	4	5
Senior administrators have high credibility	1	2	3	4	5
Conflict is increasing within this institution	1	2	3	4	5
Our senior administrators place emphasis upon educating important outsiders about the value of this college	1	2	3	4	5
This institution tends to do more of what it does well, to expand in areas we have expertise	1	2	3	4	5
This college establishes new domains of activity	1	2	3	4	5
We are increasing the quality of the individuals in top administrative positions	1	2	3	4	5
The trustees are generally supportive of the mission of this college	1	2	3	4	5
Adversarial relations exist between the administration and trustees	1	2	3	4	5

3. To what do you attribute changes in the financial condition of this college during the ten year period 1981-1991?

4. What are the most significant challenges currently facing your college?

Do you wish to receive a copy of the results of this study? Yes _____ No _____

Thank you very much for your assistance.

Institutional Code_____

STRATEGIC MANAGEMENT SURVEY

SECTION II: STUDENT RECRUITMENT AND RETENTION

Please Note: An institutional code has been assigned to each institution and we are asking those who complete different sections of the survey to identify themselves. The code is used in order to match institutional responses with data which are being obtained from other sources as well as to ensure consistency in individual responses across institutions. However, all information will remain confidential. No individual institution's response will be used. Only aggregate figures will be included in the write-up of this research project.

Completed by: _____

Title: _____

Telephone Number: (_____)_____ Extension:_____

Responses to this survey are based upon (please check all that apply):

- _____ Your personal experience working at this college
Please specify the number of years you have been at this college: _____
- _____ Knowledge gained from sources other than your personal experience (i.e., other staff, faculty, historical data/reports, etc.)
- _____ Other (please specify: _____)

Please rate your general level of awareness regarding the events which have transpired at your institution during the period 1981-1991: (please circle the appropriate numbers)

No		Somewhat		Very
Awareness	_____	Aware	_____	Aware
1	2	3	4	5

Instructions: The following questions may be answered by filling in a blank or circling the appropriate number to designate your response. Feel free to make comments throughout the survey. There is an open-ended question at the end to provide you an opportunity to express your opinion and to make any additional comments not previously addressed in the survey. This survey should take no longer than 15 minutes to complete.

Institutional Characteristics:

1. Which one of the following best characterizes your undergraduate student population?
 1. Primarily local
 2. Primarily within state
 3. Primarily regional
 4. Primarily national

2. Which one of the following statements best describes the general admissions practices of your institution?

- 1. Any individual wishing to attend will be admitted without review of conventional academic qualifications.
- 2. Any high school graduate (or person with equivalent credentials) will be admitted.
- 3. The majority of individuals who meet some specified level of academic achievement or other qualifications above and beyond high school graduation are admitted.
- 4. Among those individuals who meet some specified level of academic achievement or other qualifications above and beyond high school graduation, only a limited number will be admitted.

3. Which of the following best describes the enrollment strategy pursued by your college in the 1980's?

- 1. Increase enrollments
- 2. Maintain enrollments
- 3. Reduce enrollments and services

4. Which of the following best describes the enrollment strategy currently being pursued by your college?

- 1. Increase enrollments
- 2. Maintain enrollments
- 3. Reduce enrollments and services
- 4. Merge with another college or organization
- 5. Change control (become a public institution)

5. How do the admissions standards in place at your institution today compare with those in 1981? (Circle one number on each line)

	<u>Standards today are:</u>				
	Much	No			Much
	<u>Lower</u>	<u>Lower</u>	<u>Change</u>	<u>Higher</u>	<u>Higher</u>

1. The general level of selectivity	1	2	3	4	5
2. The level and years of high school course work	1	2	3	4	5
3. High school GPA or rank in class	1	2	3	4	5
4. The level of performance on college admissions tests	1	2	3	4	5

6. What percentage of freshmen in Fall 1991 were accepted as exceptions to formal academic requirements? Enter percentage: _____

7. How does this percentage compare with the percentage of freshmen accepted as exceptions in Fall 1981?

1. The proportion was lower in 1991 than in 1981.
2. The proportion was the same.
3. The proportion was higher in 1991 than in 1981.

8. What percentage of freshmen in Fall 1991 at your institution are taking one or more remedial courses during their first semester or year? Enter percentage: _____

9. How does this percentage compare with the percentage in Fall 1981?

1. The percentage was smaller in 1991 than in 1981.
2. The percentage was about the same.
3. The percentage was larger in 1991 than in 1981.

10. To what extent have the following factors been considered when making enrollment decisions in the past ten years (1981-1991)?

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Demographic profiles of high school seniors within region of greatest employment	1	2	3	4	5
Market research studies of prospective student markets	1	2	3	4	5
Comparative profiles of enrolled freshmen with college-bound in-state freshmen	1	2	3	4	5
Summary reports of yield of enrolled students by characteristic and academic ability	1	2	3	4	5
Summary reports of undergraduate retention by student and program characteristic	1	2	3	4	5
Systematic procedures for monitoring freshmen persistence	1	2	3	4	5
Market research studies of currently enrolled student attitudes and perceptions	1	2	3	4	5

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Market research studies of withdrawn student attitudes and perceptions	1	2	3	4	5
Forecasts of course/staff requirements based on appropriate test populations and freshman course registration	1	2	3	4	5
Data provided by the College Board Enrollment Planning Service	1	2	3	4	5
Data provided by the ACT Enrollment Information Service	1	2	3	4	5

11. To what extent have the following activities been pursued by your college in the past ten years (1981-1991)?

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Annual evaluation of recruitment program	1	2	3	4	5
Annual evaluation of retention program	1	2	3	4	5
Increased emphasis on:					
early enrollment of high school students	1	2	3	4	5
special programs for high ability students	1	2	3	4	5
recruitment of part-time day students	1	2	3	4	5
recruitment of weekend students	1	2	3	4	5
recruitment of adult students	1	2	3	4	5
recruitment of minority students	1	2	3	4	5
recruitment of transfer students	1	2	3	4	5
recruitment of international students	1	2	3	4	5
special programs for business and industry	1	2	3	4	5
Visits to campus by prospective students and/or their families	1	2	3	4	5
Visits to campus by high school personnel (counselors, teachers, etc.)	1	2	3	4	5

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Visits to campus by church personnel (pastors, youth workers, youth groups, etc.)	1	2	3	4	5
High school visits by individual counselors	1	2	3	4	5
Home visits with prospective students and/or their families	1	2	3	4	5
Off-campus receptions, dinners for prospective students and/or their families	1	2	3	4	5
Participation in college nights, fairs, etc.	1	2	3	4	5
Displays, booths in central or public locations (malls, etc.)	1	2	3	4	5
Direct mailings to prospective students	1	2	3	4	5
Telephone calls by faculty to prospective students	1	2	3	4	5
Telephone calls by alumni to prospective students	1	2	3	4	5
Telephone calls by current students to prospective students	1	2	3	4	5
Toll free lines to the admissions office for prospective student use	1	2	3	4	5
Advertisements on/in:					
Billboards or transit bus/subways, etc.	1	2	3	4	5
Posters	1	2	3	4	5
Commercial radio or television	1	2	3	4	5
Public television	1	2	3	4	5
Local newspapers	1	2	3	4	5
High school newspapers	1	2	3	4	5
Magazines/journals	1	2	3	4	5
Promotional films, videotapes, cassettes, etc.	1	2	3	4	5
Utilization of the College Entrance Examination Board, ACT or other Student Searches/Mailing Lists	1	2	3	4	5

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Utilization of the following personnel in institutional recruitment activities:					
Faculty	1	2	3	4	5
Alumni	1	2	3	4	5
Current students	1	2	3	4	5
Coaches, other activity directors (e.g., band/choir directors, etc.)	1	2	3	4	5
Pastors	1	2	3	4	5
Administrators (non-admissions)	1	2	3	4	5
Trustees	1	2	3	4	5
Efforts to increase student employment on campus	1	2	3	4	5
Efforts to increase the number and/or amounts of financial aid awards	1	2	3	4	5
Use of financial aid to shape student body	1	2	3	4	5
An increase in the awarding of no-need merit scholarships	1	2	3	4	5
Summer orientation program for new students	1	2	3	4	5
Summer advising and registration for new students	1	2	3	4	5
Follow-up studies conducted with accepted students who fail to enroll (surveys, phone calls, etc.)	1	2	3	4	5
Follow-up studies conducted with prospects who fail to apply (surveys, phone calls, etc.)	1	2	3	4	5
Segmented orientation for student subgroups: (e.g., transfers, minorities, internationals, etc.)	1	2	3	4	5
Separate orientation program for parents	1	2	3	4	5
Communication with parents of prospective students (newsletter, brochure, special mailings, etc.)	1	2	3	4	5

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
An administrator specifically responsible for monitoring attrition and developing retention programs	1	2	3	4	5
Attempts to increase student participation in student government, residence life and other campus activities	1	2	3	4	5
The development of a distinctive college character in comparison with competitors and/or other similar colleges	1	2	3	4	5
Targeted recruitment activities segmented by primary, secondary, and tertiary markets	1	2	3	4	5
Utilization of consultants to assist in recruitment and/or retention efforts	1	2	3	4	5
Development of formal, written recruitment plan	1	2	3	4	5
Development of formal, written retention plan	1	2	3	4	5

12. To what extent are the following statements characteristic of your college in the past ten years (1981-1991)?

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
The mission statement is referred to for guidance in the development and implementation of enrollment programs	1	2	3	4	5
Enrollment concerns have become a priority across the campus	1	2	3	4	5
Necessary information for enrollment related decisions is readily available within this college	1	2	3	4	5
Formal lines of communication have been simplified to increase the flow of information among people in offices which influence enrollment	1	2	3	4	5

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Faculty and administrators demonstrate concern for the individual welfare of students and each other	1	2	3	4	5
This college places emphasis on serving students	1	2	3	4	5
The senior administration demonstrates concern for the individual welfare of students and each other	1	2	3	4	5
This campus is concerned with providing students with a high quality educational experience	1	2	3	4	5

13. To what do you attribute changes in the financial condition of your college during the ten year period 1981-1991?

Do you wish to receive a copy of the results of this study? Yes _____ No _____

Thank you very much for your assistance.

Institutional Code _____

STRATEGIC MANAGEMENT SURVEY

SECTION III: FINANCIAL MANAGEMENT

Please Note: An institutional code has been assigned to each institution and we are asking those who complete different sections of the survey to identify themselves. The code is used in order to match institutional responses with data which are being obtained from other sources as well as to ensure consistency in individual responses across institutions. However, all information will remain confidential. No individual institution's response will be used. Only aggregate figures will be included in the write-up of this research project.

Completed by: _____

Title: _____

Telephone Number: (_____) _____ Extension: _____

Responses to this survey are based upon (please check all that apply):

- _____ Your personal experience working at this college
Please specify the number of years you have been at this college: _____
- _____ Knowledge gained from sources other than your personal experience (i.e., other staff, faculty, historical data/reports, etc.)
- _____ Other (please specify: _____)

Please rate your general level of awareness regarding the events which have transpired at your institution during the period 1981-1991: (please circle the appropriate numbers)

No Awareness		Somewhat Aware		Very Aware
1	2	3	4	5

Instructions: The following questions may be answered by filling in a blank or circling the appropriate number to designate your response. Feel free to make comments throughout the survey. There is an open-ended question at the end to provide you an opportunity to express your opinion and to make any additional comments not previously addressed in the survey. This survey should take no longer than 15 minutes to complete.

1. To what extent have the following activities been pursued by your college in the past ten years (1981-1991)?

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Reduction of academic programs through across-the-board cuts	1	2	3	4	5
Reduction of academic programs through selective cuts	1	2	3	4	5

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Reduction of non-academic programs through across-the-board cuts	1	2	3	4	5
Reduction of academic programs through selective cuts	1	2	3	4	5
Reduction of faculty size through natural attrition (death, retirement, etc.)	1	2	3	4	5
Reduction of professional staff through natural attrition (death, retirement, etc.)	1	2	3	4	5
Dismissal of non-tenured faculty in low student demand areas	1	2	3	4	5
Dismissal of tenured faculty in low student demand areas	1	2	3	4	5
Dismissal of non-tenured faculty in high student demand areas	1	2	3	4	5
Increasing academic fees (other than tuition)	1	2	3	4	5
Decreasing academic fees (other than tuition)	1	2	3	4	5
Decreasing non-academic fees	1	2	3	4	5
Increasing non-academic fees	1	2	3	4	5
Increasing tuition levels	1	2	3	4	5
Decreasing tuition levels	1	2	3	4	5
Faculty/staff salary reductions	1	2	3	4	5
Faculty/staff salary freeze	1	2	3	4	5
Deferring maintenance and repair funding	1	2	3	4	5
Decreasing equipment funding	1	2	3	4	5
Implementing energy-conservation programs	1	2	3	4	5
Development of contingency retrenchment plan	1	2	3	4	5

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Elimination of unprofitable academic programs	1	2	3	4	5
Elimination of unprofitable non-academic programs	1	2	3	4	5
Retraining faculty from low demand areas to high demand areas	1	2	3	4	5
Negotiation of early retirement with senior staff or faculty members	1	2	3	4	5
Merger of departments and programs	1	2	3	4	5
Merger of co-curricular services and programs	1	2	3	4	5
Development of cooperative arrangements with other institutions	1	2	3	4	5
Elimination of professional staff positions	1	2	3	4	5
Retraining faculty in low demand areas to fill staff positions	1	2	3	4	5
Implementation of tighter budget controls	1	2	3	4	5
Fundraising activities directed toward the following constituents:					
Alumni	1	2	3	4	5
Business and industry	1	2	3	4	5
Private foundations	1	2	3	4	5
Community organizations	1	2	3	4	5
Sponsoring denomination	1	2	3	4	5
Other religious organizations	1	2	3	4	5
Trustees	1	2	3	4	5
Fundraising activities in the following areas:					
Annual giving	1	2	3	4	5
Major gifts	1	2	3	4	5
Direct mail solicitation	1	2	3	4	5
Telephone solicitation	1	2	3	4	5
Capital Campaign	1	2	3	4	5
Use of marketing research to develop new sources of financial support	1	2	3	4	5

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Involvement of following personnel in fundraising activities:					
Alumni	1	2	3	4	5
Faculty	1	2	3	4	5
Trustees	1	2	3	4	5
Current students	1	2	3	4	5
Deliberate attempts to use gift money to reduce reliance on tuition income	1	2	3	4	5
Constructed or bought additional physical plant	1	2	3	4	5

2. To what extent are the following statements characteristic of your college in the past ten years (1981-1991)?

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
The mission statement is referred to for guidance when making resource allocation decisions	1	2	3	4	5
Necessary information for financial decisions is readily available within this college	1	2	3	4	5
When cutbacks occur they are done on a prioritized basis	1	2	3	4	5
People at this college make resource decisions collegially	1	2	3	4	5
A rational process is used to make resource allocation decisions at this college	1	2	3	4	5
Resource allocation decisions are made bureaucratically at this college	1	2	3	4	5
Resource allocation decisions are made autocratically at this college	1	2	3	4	5
Persuasion, negotiation, and coalition-building are examples of what determines resource allocation	1	2	3	4	5

3. To what do you attribute changes in the financial condition of this college during the past ten years (1981-1991)?

Do you wish to receive a copy of the results of this study? Yes _____ No _____

Thank you very much for your assistance.

Institutional Code _____

STRATEGIC MANAGEMENT SURVEY

SECTION IV: PROGRAM DEVELOPMENT AND EXPANSION

Please Note: An institutional code has been assigned to each institution and we are asking those who complete different sections of the survey to identify themselves. The code is used in order to match institutional responses with data which are being obtained from other sources as well as to ensure consistency in individual responses across institutions. However, all information will remain confidential. No individual institution's response will be used. Only aggregate figures will be included in the write-up of this research project.

Completed by: _____

Title: _____

Telephone Number: (_____) _____ Extension: _____

Responses to this survey are based upon (please check all that apply):

- _____ Your personal experience working at this college
Please specify the number of years you have been at this college: _____
- _____ Knowledge gained from sources other than your personal experience (i.e., other staff, faculty, historical data/reports, etc.)
- _____ Other (please specify: _____)

Please rate your general level of awareness regarding the events which have transpired at your institution during the period 1981-1991: (please circle the appropriate numbers)

No		Somewhat		Very
Awareness	_____	Aware	_____	Aware
1	2	3	4	5

Instructions: The following questions may be answered by filling in a blank or circling the appropriate number to designate your response. Feel free to make comments throughout the survey. There is an open-ended question at the end to provide you an opportunity to express your opinion and to make any additional comments not previously addressed in the survey. This survey should take no longer than 15 minutes to complete.

1. How many full-time teaching faculty (excluding administrators and staff whose primary responsibility is non-classroom based) did your institution employ in 1991?
_____ (Estimate if necessary)
2. How many full-time teaching faculty (excluding administrators and staff whose primary responsibility is non-classroom based) did your institution employ in 1981?
_____ (Estimate if necessary)
3. How many undergraduate academic programs (i.e., majors, etc.) did your institution offer in 1991?
_____ (Estimate if necessary)

4. How many graduate academic programs did your institution offer in 1991?

_____ (Estimate if necessary)

5. To what extent have the following activities been pursued by your college in the past ten years (1981-1991)?

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Addition of courses or programs in high student demand areas	1	2	3	4	5
Addition of courses in general education areas	1	2	3	4	5
Reallocation of funds to support innovative courses or programs	1	2	3	4	5
Reallocation of funds from low student demand area to high student demand area	1	2	3	4	5
Development of new on-campus programs to serve new clientele/markets	1	2	3	4	5
Development of new off-campus programs to serve new clientele/markets	1	2	3	4	5
Development of cooperative arrangements with other institutions to add academic programs or courses	1	2	3	4	5
Increased faculty teaching loads	1	2	3	4	5
Increased faculty/student ratio	1	2	3	4	5
Increased course section sizes	1	2	3	4	5
Enhanced faculty development program(s)	1	2	3	4	5
Expanded days and times when courses are offered	1	2	3	4	5
Added graduate level courses/programs	1	2	3	4	5
Added required courses to curriculum	1	2	3	4	5
Created new majors through small changes in existing programs	1	2	3	4	5

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
Added accelerated degree completion program(s)	1	2	3	4	5
Added new majors to meet emerging societal needs	1	2	3	4	5
Initiated truly innovative programs and courses	1	2	3	4	5
Strengthened academic support services	1	2	3	4	5
Use of part-time faculty in administrative positions	1	2	3	4	5
Added extended orientation program/course	1	2	3	4	5
Made changes to improve academic advising program/system	1	2	3	4	5
Made changes to improve career planning/placement programs	1	2	3	4	5
Made changes to improve religious life programs	1	2	3	4	5
Made changes to improve student development programs	1	2	3	4	5

6. To what extent are the following statements characteristic of your college in the past ten years (1981-1991)?

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
The mission statement is referred to for guidance in the development and implementation of academic programs	1	2	3	4	5
Faculty/administrator cooperation is fostered	1	2	3	4	5
Necessary information for academic decision-making is readily available within this college	1	2	3	4	5
Graduate level courses/programs have changed the mission of this college	1	2	3	4	5

	Not At All	To A Small Extent	To Some Extent	To A Great Extent	To A Very Great Extent
This campus is concerned with providing students with a high quality educational experience	1	2	3	4	5
A new mission defines programs which are outside of faculty expertise	1	2	3	4	5
New undergraduate majors/ programs have changed the mission of this college	1	2	3	4	5
Changes in required courses have changed the mission of this college	1	2	3	4	5
The faculty at this college are involved in ongoing program review and revision	1	2	3	4	5
Adversarial administrative/faculty relations exist at this college	1	2	3	4	5
Administration and faculty demonstrate increased sensitivity to market demands for relevant coursework	1	2	3	4	5
The academic programs offered here reflect the mission of the institution	1	2	3	4	5

3. To what do you attribute changes in the financial condition of this college during the ten year period 1981-1991?

Do you wish to receive a copy of the results of this study? Yes _____ No _____

Thank you very much for your assistance.

APPENDIX 3
FIRST COVER LETTER

Date: January 10, 1994
To: Coalition College Presidents
From: Karen A. Longman
Re: Strategic Management Survey

I am writing on behalf of the Coalition as a follow-up to a phone call that your office received last week from Melissa Morriss-Olson. Melissa is the Vice President for Enrollment Management and Planning at one of our CCC schools -- North Park College of Chicago. She is also a doctoral student at Loyola University of Chicago and is in the process of completing a dissertation focusing on Christian College Coalition institutions. Because this project has the potential to benefit all of us who are involved in the work of Christian higher education, we are writing to urge your participation in Melissa's research.

Enclosed you will find a cover letter with directions for completing the Strategic Management Survey about which Melissa called last week. The primary purpose of this research project is three-fold: 1) to gain an understanding of the current status of the Christian college sector; 2) to gain an understanding of how the Christian college sector has changed over the period 1981-1991, and 3) to gain an understanding of the strategies used by the most resilient Christian colleges during this same period in an attempt to explain the adaptability of some but not all CCC institutions to this turbulent decade. Your completion of the enclosed survey is important to the fulfillment of these purposes and to Melissa's obtaining information which will be of benefit to all of us.

Please note that while an institutional code has been assigned to each institution, this is done only to match data obtained from other sources with institutional survey responses and to follow up with non-respondents. No individual institution's response will ever be identified. Once surveys are returned to Melissa, all institutional identification information will be removed and replaced with this code. Only aggregate numbers will be referred to in the final write-up of this project.

Thank you in advance for your willingness to be involved in this important effort.

January 10, 1994

President First Name, Last Name
College name
Address
City, State, ZC

Dear President Last Name:

Enclosed please find the Strategic Management Survey about which I called last week. I am most grateful for your willingness to assist me with this project.

This survey is designed to gather information about the various actions taken by Christian College Coalition institutions during the period 1981-1991. As you know, this was a period of much turbulence for most of American higher education. I intend to match survey responses with enrollment and financial data taken from the same period and accessed through the College Board and the Quantum Research Corporation CASPAR database. My goal is to see whether there are significant differences in the kind(s) of actions and strategies employed by colleges demonstrating differing levels of enrollment and financial performance.

The survey consists of four areas: 1) Overall Institutional Strategy and Priorities; 2) Student Recruitment and Retention; 3) Financial Management, and 4) Program Development and Expansion. Each section can be completed quickly by circling or filling in the blank in response to the items listed. Space is provided at the end of each section for further elaboration on events taking place at your institution during the period 1981-1991.

To make the survey as convenient as possible to complete, the four sections are organized as separate units which you may distribute to the appropriate officials on your campus should you not wish to complete the entire instrument yourself. Please note: each section should take no longer than 15 minutes to complete.

An institutional code number has been assigned to each institution and we are asking those who complete different sections of the survey to identify themselves. This is done in order to match survey responses with data obtained from other sources as well as to ensure some consistency in responses across institutions.

Once surveys are returned to me, I will remove all individual institutional identification information and replace it with your institutional code. All information will remain confidential. Data will be reported in the aggregate in the research write-up and no individual institution's response will ever be used or released to any other source.

For your assistance with this project, I am happy to provide you with a summary of my findings. I am hopeful that this report will be useful to all of us who are committed to the ongoing vitality of Christian higher education.

I have enclosed a large envelope stamped with postage to make returning the enclosed survey as convenient as possible. I would appreciate receiving the completed survey back from you by February 4, 1994. Since I am working with a very small sample of colleges (82), every response is important to my obtaining valid and useful results.

Thanks again for your willingness to help!

Melissa Morriss-Olson

P.S. If you have any questions, please feel free to call me at (312) 583-2700, Ext. 4615. I'd be happy to answer your questions or provide you with more information.

APPENDIX 4
POSTCARD REMINDER

January 24, 1994

Dear Christian College Coalition President:

A couple of weeks ago you received in the mail from me the Strategic Management Survey for Christian College Coalition Institutions. I am writing to remind you of the survey completion deadline of February 13, 1994.

Thanks again for your assistance!

Melissa Morriss-Olson
Vice President for
Enrollment Management
and Planning
North Park College
(312) 583-2700, Ext. 4615

APPENDIX 5
SECOND COVER LETTER

February 7, 1994

President First Name, Last Name
College Name
Address
City, State, ZC

Dear President Last Name:

A few weeks ago I wrote requesting your assistance with a study of strategic management practices of Christian College Coalition institutions during the period 1981-1991. Because of the demands on your time, you may have overlooked my request. Due to the relevant nature of this topic, I am writing to you once more to ask for your assistance.

Please take a few minutes to complete the enclosed Strategic Management Survey. It is organized in four sections, each of which can be passed on to other institutional officers for completion. Your responses will be combined with others for analysis and reported in summary form only. No individual institution will ever be identified. If you would like a summary of my results, please check the "YES" box on the back page of the survey.

Because I am working with a small sample, your response is very important to the success of my study. I would very much appreciate receiving your completed survey by February 21, 1994.

Thanks in advance for your cooperation!

Melissa Morriss-Olson

P.S. If you have questions, please do not hesitate to call me at (312) 583-2700, Ext. 4615.

APPENDIX 6
COMPLETE LIST OF MANAGEMENT STRATEGIES

MANAGEMENT STRATEGIES

- S1 Expanded recruitment efforts
- S2 Expanded fund-raising efforts of president
- S3 Efforts to increase gifts/grants from benefactors
- S4 Increased public awareness efforts of president
- S5 Revised academic programs to meet current trends
- S6 Added new academic programs
- S7 Strengthened community financial support
- S8 Strengthened community program support
- S9 Efforts to increase gifts/aid from sponsoring church
- S10 Strengthened relations with sponsoring church
- S11 Creative efforts to meet student needs
- S12 Strengthened athletic programs
- S13 Expanded retention efforts
- S14 Strengthened public relations function
- S15 Strengthened quality and effectiveness of trustees
- S16 Improved campus information systems
- S17 Improved budgeting and cost-control systems
- S18 Organizational restructuring
- S19 Developed and implemented strategic plan
- S20 Hired more competent administrators
- S21 Strengthened the development/fund-raising function
- S22 Released less competent administrators
- S23 Cut back athletic programs
- S24 Increased emphasis on strategic planning
- S25 Restructured Trustee Board
- S26 Strengthened fund-raising expectations for trustees

- E1 Demographic profiles of high school seniors within region of greatest enrollment
- E2 Market research studies of prospective student markets
- E3 Comparative profiles of enrolled freshmen with college-bound in-state freshmen
- E4 Summary reports of yield of enrolled students by characteristic and academic ability
- E5 Summary reports of undergraduate retention by student and program characteristic
- E6 Systematic procedures for monitoring freshmen persistence
- E7 Market research studies of currently enrolled student attitudes and perceptions
- E8 Market research studies of withdrawn student attitudes and perceptions
- E9 Forecasts of course/staff requirements based on appropriate test populations and freshman course registration
- E10 Data provided by the College Board Enrollment Planning Service
- E11 Data provided by the ACT Enrollment Information Service
- E12 Annual evaluation of recruitment program
- E13 Annual evaluation of retention program
- E14 Increased emphasis on early enrollment of high school students
- E15 Increased emphasis on special programs for high ability students
- E16 Increased emphasis on recruitment of students from sponsoring church
- E17 Increased emphasis on recruitment of weekend students
- E18 Increased emphasis on recruitment of adult students
- E19 Increased emphasis on recruitment of minority students
- E20 Increased emphasis on recruitment of transfer students
- E21 Increased emphasis on recruitment of international students
- E22 Increased emphasis on special programs for business and industry
- E23 Visits to campus by prospective students and/or their families

- E24 Visits to campus by high school personnel (counselors, teachers, etc.)
- E25 Visits to campus by church personnel (pastors, youth workers, youth groups, etc.)
- E26 High school visits by admissions counselors
- E27 Home visits with prospective students and/or their families
- E28 Off-campus receptions, dinners for prospective students and/or their families
- E29 Participation in college nights, fairs, etc.
- E30 Displays, booths in central or public locations (malls, etc.)
- E31 Direct mailings to prospective students
- E32 Telephone calls by faculty to prospective students
- E33 Telephone calls by alumni to prospective students
- E34 Telephone calls by current students to prospective students
- E35 Toll free lines to the admissions office for prospective student use
- E36 Advertisements on/in billboards or transit bus/subways, etc.
- E37 Advertisements on/in radio or television
- E38 Advertisements on/in local newspapers
- E39 Advertisements on/in high school newspapers
- E40 Advertisements on/in magazines/journals
- E41 Promotional films, videotapes, cassettes, etc.
- E42 Utilization of the College Entrance Examination Board, ACT or other Student Searches/Mailing Lists
- E43 Utilization of faculty in institutional recruitment activities
- E44 Utilization of alumni in institutional recruitment activities
- E45 Utilization of current students in institutional recruitment activities
- E46 Utilization of coaches, other activity directors (e.g., band/choir directors, etc.) in institutional recruitment activities
- E47 Utilization of pastors in institutional recruitment activities

- E48 Utilization of administrators (non-admissions) in institutional recruitment activities
- E49 Utilization of trustees in institutional recruitment activities
- E50 Efforts to increase the number and/or amounts of financial aid awards
- E51 Use of financial aid to shape student body
- E52 An increase in the awarding of no-need merit scholarships
- E53 Summer orientation program for new students
- E54 Summer advising and registration for new students
- E55 Follow-up studies conducted with accepted students who fail to enroll (surveys, phone calls, etc.)
- E56 Follow-up studies conducted with prospects who fail to apply (surveys, phone calls, etc.)
- E57 Segmented orientation for student subgroups: (e.g., transfers, minorities, internationals, etc.)
- E58 Separate orientation program for parents
- E59 Communication with parents of prospective students (newsletter, brochure, special mailings, etc.)
- E60 Use of geodemographic marketing analysis and information
- E61 An administrator specifically responsible for monitoring attrition and developing retention programs
- E62 The development of a distinctive college character in comparison with competitors and/or other similar colleges
- E63 Targeted recruitment activities segmented by primary, secondary, and tertiary markets
- E64 Utilization of consultants to assist in recruitment and/or retention efforts
- E65 Development of formal, written recruitment plan
- E66 Development of formal, written retention plan
- F1 Reduction of academic programs through across-the-board cuts
- F2 Reduction of academic programs through selective cuts
- F3 Reduction of non-academic programs through across-the-board cuts
- F4 Reduction of non-academic programs through selective cuts

- F5 Reduction of faculty size through natural attrition (death, retirement, etc.)
- F6 Reduction of professional staff through natural attrition (death, retirement, etc.)
- F7 Dismissal of non-tenured faculty in low student demand areas
- F8 Dismissal of tenured faculty in low student demand areas
- F9 Dismissal of non-tenured faculty in high student demand areas
- F10 Increasing fees (other than tuition)
- F11 Decreasing fees (other than tuition)
- F12 Increasing tuition levels
- F13 Decreasing tuition levels
- F14 Faculty/staff salary reductions
- F15 Faculty/staff salary freeze
- F16 Deferring maintenance and repair funding
- F17 Decreasing equipment funding
- F18 Implementing energy-conservation programs
- F19 Development of contingency retrenchment plan
- F20 Elimination of unprofitable academic programs
- F21 Elimination of unprofitable non-academic programs
- F22 Retraining faculty from low demand areas to high demand areas
- F23 Negotiation of early retirement with senior staff or faculty members
- F24 Merger of departments and programs
- F25 Merger of co-curricular services and programs
- F26 Development of cooperative arrangements with other institutions
- F27 Elimination of professional staff positions
- F28 Retraining faculty in low demand areas to fill staff positions
- F29 Implementation of tighter budget controls
- F30 Fundraising activities directed toward alumni

- F31 Fundraising activities directed toward business and industry
- F32 Fundraising activities directed toward private foundations
- F33 Fundraising activities directed toward community organizations
- F34 Fundraising activities directed toward sponsoring denomination
- F35 Fundraising activities directed toward other religious organizations
- F36 Fundraising activities directed toward trustees
- F37 Fundraising activity related to annual giving
- F38 Fundraising activity related to major gifts
- F39 Fundraising activity related to direct mail solicitation
- F40 Fundraising activity related to telephone solicitation
- F41 Fundraising activity related to Capital Campaign
- F42 Use of marketing research to develop new sources of financial support
- F43 Involvement of alumni in fundraising activity
- F44 Involvement of faculty in fundraising activity
- F45 Involvement of trustees in fundraising activity
- F46 Involvement of current students in fundraising activity
- F47 Deliberate attempts to use gift money to reduce reliance on tuition income
- F48 Constructed or bought additional physical plant
- P1 Addition of courses or programs in high student demand areas
- P2 Addition of courses in general education areas
- P3 Reallocation of funds to support innovative courses or programs
- P4 Reallocation of funds from low student demand area to high student demand area
- P5 Development of new on-campus programs to serve new clientele/markets
- P6 Development of new off-campus programs to serve new clientele/markets

- P7 Development of cooperative arrangements with other institutions to add academic programs or courses
- P8 Increased faculty teaching loads
- P9 Increased faculty/student ratio
- P10 Increased course section sizes
- P11 Enhanced faculty development program(s)
- P12 Expanded days and times when courses are offered
- P13 Added graduate level courses/programs
- P14 Added required courses to curriculum
- P15 Added adult-accelerated degree completion program(s)
- P16 Added new majors to meet emerging societal needs
- P17 Initiated truly innovative programs and courses
- P18 Strengthened academic support services
- P19 Use of part-time faculty in administrative positions
- P20 Added extended orientation program/course
- P21 Made changes to improve academic advising program/system
- P22 Made changes to improve career planning/placement programs
- P23 Made changes to improve religious life programs
- P24 Made changes to improve student development programs
- P25 Made changes to improve the campus climate
- C1 The college operates with a liberal arts mission
- C2 The college is appropriately Christian in its character
- C3 The mission statement has been reaffirmed
- C4 The mission statement has been revised
- C5 The mission statement is referred to for guidance in major decision-making
- C6 There is an effective means of conveying the college's mission to the public

- C7 A spirit of entrepreneurship is encouraged and innovative ideas are rewarded
- C8 This college has a special identity, unlike any other in higher education
- C9 There is a general sense that this college has a distinctive purpose to fulfill
- C10 People associated with this college share a common definition of its mission
- C11 Those who make a personal or financial investment in this institution believe that they receive an ample return
- C12 Major decisions are not very centralized
- C13 Innovative activity at this college is increasing
- C14 Morale is increasing among members of this institution
- C15 Senior administrators have high credibility
- C16 Conflict is not increasing within this institution
- C17 Our senior administrators place emphasis upon educating important outsiders about the value of this college
- C18 This institution tends to do more of what it does well, to expand in areas we have expertise
- C19 This college establishes new domains of activity
- C20 We are increasing the quality of the individuals in top administrative positions
- C21 The trustees are generally supportive of the mission of this college
- C22 Adversarial relations do not exist between the administration and trustees
- C23 Burnout is not a real threat in this institution
- C24 The trustees are primarily involved in broad policy issues
- C25 The trustees are not primarily involved in minutia and day-to-day details
- C26 Trustees do not occasionally override the decisions made by senior administrators
- C27 Trustees of this institution have high credibility

- C28 The mission statement is referred to for guidance in the development and implementation of enrollment programs
- C29 Enrollment concerns have become a priority across the campus
- C30 Necessary information for enrollment related decisions is readily available within this college
- C31 Formal lines of communication have been simplified to increase the flow of information among people in offices which influence enrollment
- C32 Faculty and administrators demonstrate concern for the individual welfare of students and each other
- C33 This college places emphasis on serving students
- C34 The senior administration demonstrates concern for the individual welfare of students and each other
- C35 This campus is concerned with providing students with a high quality educational experience
- C36 The mission statement is referred to for guidance when making resource allocation decisions
- C37 Necessary information for financial decisions is readily available within this college
- C38 When cutbacks occur they are done on a prioritized basis
- C39 People at this college make resource decisions collegially
- C40 A rational process is used to make resource allocation decisions at this college
- C41 Resource allocation decisions are not made bureaucratically at this college
- C42 Resource allocation decisions are not made autocratically at this college
- C43 Persuasion, negotiation, and coalition-building are examples of what determines resource allocation
- C44 The mission statement is referred to for guidance in the development and implementation of academic programs
- C45 Faculty/administrator cooperation is fostered
- C46 Necessary information for academic decision-making is readily available within this college
- C47 Graduate level courses/programs have changed the mission of this college

- C48 This campus is concerned with providing students with a high quality educational experience
- C49 A new mission defines programs which are outside of faculty expertise
- C50 New undergraduate majors/programs have changed the mission of this college
- C51 Changes in required courses have changed the mission of this college
- C52 The faculty at this college are involved in ongoing program review and revision
- C53 Adversarial administrative/faculty relations do not exist at this college
- C54 Administration and faculty demonstrate increased sensitivity to market demands for relevant coursework
- C55 The academic programs offered here reflect the mission of the institution

APPENDIX 7
COMPARISON MEANS FOR ALL STRATEGIES

COMPARISON MEANS FOR ALL STRATEGIES RANKED BY
AGGREGATE GROUP ORDER

		A	I	S	D
C2	The college is appropriately Christian in its character	4.781	4.830	4.830	4.680
C22	Adversarial relations do not exist between the administration and trustees	4.708	4.760	4.830	4.540
C21	The trustees are generally supportive of the mission of this college	4.646	4.760	4.550	4.590
C25	The trustees are not primarily involved in minutia and day-to-day details	4.615	4.680	4.670	4.500
C26	The trustees do not occasionally override the decisions made by senior administrators	4.600	4.640	4.500	4.630
C35	This campus is concerned with providing students with a high quality educational experience	4.578	4.700	4.500	4.500
E23	Visits to campus by prospective students and/or their families	4.531	4.500	4.610	4.500
C3	The mission statement has been reaffirmed	4.508	4.520	4.550	4.450
C48	This campus is concerned with providing students with a high quality educational experience	4.484	4.540	4.610	4.310
C16	Conflict is increasing within this institution	4.385	4.480	4.389	4.270
C1	The college operates with a liberal arts mission	4.385	4.520	4.330	4.270
C34	The senior administration demonstrates concern for the individual welfare of students and	4.375	4.500	4.380	4.220
C55	The academic programs offered here reflect the mission of the institution	4.375	4.410	4.330	4.360
E35	Toll free lines to the admissions office for prospective student use	4.359	4.370	4.440	4.270
C33	This college places emphasis on serving students	4.359	4.370	4.330	4.360
S1	Expanded recruitment efforts	4.277	4.440	4.110	4.220
C32	Faculty and administrators demonstrate concern for the individual welfare of students and each other	4.250	4.290	4.270	4.180

		<u>A</u>	<u>I</u>	<u>S</u>	<u>D</u>
S3	Efforts to increase gifts/grants from benefactors	4.185	4.080	4.270	4.220
C9	There is a general sense that this college has a distinctive purpose to fulfill	4.138	4.200	4.050	4.130
C5	The mission statement is referred to for guidance in major decision-making	4.077	4.200	4.050	3.950
C53	Adversarial administrative/faculty relations do not exist at this college	4.047	4.000	4.050	4.090
C44	The mission statement is referred to for guidance in the development and implementation of academic programs	4.047	4.120	4.000	4.000
C10	People associated with this college share a common definition of its mission	4.031	4.040	3.940	4.090
F37	Increased emphasis in annual giving	4.016	4.000	4.000	4.040
F38	Increased emphasis on major gifts	4.000	4.000	3.940	4.040
S2	Expanded fund-raising efforts of president	3.985	3.960	3.880	4.090
C42	Resource allocation decisions are not made autocratically at this college	3.968	3.840	4.050	4.040
E34	Telephone calls by current students to prospective students	3.953	4.080	3.670	4.040
E29	Participation in college nights, fairs, etc.	3.938	3.870	4.000	3.950
C29	Enrollment concerns have become a priority across the campus	3.938	3.830	3.880	4.090
S4	Increased public awareness efforts of president	3.923	4.160	3.830	3.720
C24	The trustees are primarily involved in broad policy issues	3.923	4.160	3.500	4.000
E31	Direct mailings to prospective students	3.922	3.950	3.440	4.270
E50	Efforts to increase the number and/or amounts of financial aid awards	3.875	3.700	4.000	3.950
E12	Annual evaluation of recruitment program	3.875	3.830	3.830	3.950
C52	The faculty at this college are involved in ongoing program review and revision	3.875	3.950	3.667	3.950
E26	High school visits by individual counselors	3.875	4.200	3.500	3.810

	A	I	S	D
C11 Those who make a personal or financial investment in this institution believe that they receive an ample return	3.846	3.960	3.770	3.770
C28 The mission statement is referred to for guidance in development and implementation of enrollment programs	3.844	3.700	3.940	3.900
F30 Increased fundraising with alumni	3.841	3.960	3.820	3.710
E45 Use of current students in recruitment	3.813	3.870	3.670	3.860
E16 Recruitment of students from sponsoring church	3.810	4.080	3.610	3.680
C37 Necessary information for financial decisions is readily available within this college	3.794	3.840	3.940	3.610
F36 Fundraising with trustees	3.794	4.000	3.640	3.660
C45 Faculty/administrator cooperation is fostered	3.781	3.667	3.720	3.950
E46 Coaches, other activity directors (e.g., band/choir directors, etc.)	3.766	3.910	3.500	3.810
F12 Increasing tuition levels	3.746	3.840	3.470	3.850
C15 Senior administrators have high credibility	3.738	3.840	3.720	3.630
C40 A rational process is used to make resource allocation decisions at this college	3.714	3.760	3.820	3.570
S19 Developed and implemented strategic plan	3.708	3.920	3.660	3.500
F41 Increased emphasis on Capital Campaign	3.668	3.640	3.760	3.610
S21 Strengthened the development/fund-raising function	3.662	3.600	3.500	3.860
E25 Visits to campus by church personnel (pastors, youth workers, youth groups, etc.)	3.656	3.580	3.660	3.720
C6 There is an effective means of conveying the college's mission to the public	3.646	3.800	3.610	3.500
S13 Expanded retention efforts	3.646	3.720	3.330	3.810
C46 Necessary information for academic decision-making is readily available within this college	3.625	3.667	3.778	3.450
E52 An increase in the awarding of no-need merit scholarships	3.625	3.580	3.660	3.630

		<u>A</u>	<u>I</u>	<u>S</u>	<u>D</u>
C31	Formal lines of communication have been simplified to increase the flow of information among people in offices	3.625	3.450	3.440	3.950
C30	Necessary information for enrollment related decisions is readily available within this college	3.609	3.620	3.550	3.630
E62	The development of a distinctive college character in comparison with competitors and/or other similar	3.609	3.500	3.500	3.810
S24	Increased emphasis on strategic planning	3.600	3.800	3.270	3.630
S17	Improved budgeting and cost-control systems	3.600	3.760	3.160	3.770
P25	Made changes to improve the campus climate	3.578	3.700	3.440	3.540
S6	Added new academic programs	3.569	3.440	3.720	3.590
S14	Strengthened public relations function	3.554	3.680	3.330	3.590
P1	Addition of courses or programs in high student demand areas	3.547	3.540	3.720	3.400
S5	Changed programs to meet current trends	3.538	3.480	3.610	3.540
E65	Development of formal, written recruitment plan	3.531	3.330	3.330	3.900
E63	Targeted recruitment activities segmented by primary, secondary, and tertiary markets	3.531	3.450	3.110	3.950
F29	Implementation of tighter budget controls	3.524	3.680	3.170	3.619
F48	Constructed or bought additional physical plant	3.508	3.880	3.350	3.190
C17	Our senior administrators place emphasis upon educating important outsiders about the value of this college	3.508	3.680	3.167	3.590
C36	The mission statement is referred to for guidance when making resource allocation decisions	3.492	3.480	3.760	3.230
C27	The trustees of this institution have high credibility	3.477	3.560	3.270	3.540
P23	Made changes to improve religious life programs	3.469	3.750	3.160	3.400

		A	I	S	D
C18	This institution tends to do more of what it does well, to expand in areas we have expertise	3.446	3.600	3.330	3.360
S16	Improved campus information systems	3.446	3.640	3.110	3.500
C41	Resource allocation decisions are made bureaucratically at this college	3.444	3.160	3.640	3.610
C38	When cutbacks occur they are done on a prioritized basis	3.433	3.540	3.260	3.420
S18	Organizational restructuring	3.431	3.480	3.050	3.680
C39	People at this college make resource allocation decisions collegially	3.429	3.360	3.640	3.330
F18	Implementing energy-conservation programs	3.429	3.440	3.410	3.420
F39	Direct mail solicitation: fundraising	3.429	3.600	3.170	3.420
E54	Summer advising and registration for new students	3.422	3.500	3.440	3.310
C23	Burnout is not a real threat in this institution	3.415	3.160	3.670	3.500
F45	Increased use of trustees: fundraising	3.413	3.440	3.410	3.380
C20	We are increasing the quality of the individuals in top administrative positions	3.400	3.520	3.270	3.360
P24	Made changes to improve student development	3.375	3.580	3.160	3.310
E41	Promotional films, videotapes, cassettes, etc.	3.375	3.290	3.110	3.680
C8	This college has a special identity, unlike any other in higher education	3.369	3.520	3.167	3.360
C14	Morale is increasing among members of this institution	3.369	3.440	3.160	3.450
F40	Telephone solicitation: fundraising	3.365	3.480	3.350	3.230
F32	Private foundations	3.365	3.560	3.170	3.280
E51	Use of financial aid to shape student body	3.359	3.540	3.220	3.270
S20	Hired more competent administrators	3.354	3.480	3.000	3.500
C13	Innovative activity at this college is increasing	3.338	3.440	3.110	3.400
S15	Strengthened quality and effectiveness of trustees	3.338	3.440	3.000	3.500
E43	Use of faculty in recruitment	3.328	3.330	3.220	3.400

		<u>A</u>	<u>I</u>	<u>S</u>	<u>D</u>
C7	A spirit of entrepreneurship is encouraged and innovative ideas are rewarded	3.323	3.520	3.110	3.270
F31	Fundraising with business and industry	3.317	3.440	3.050	3.380
P5	Development of new on-campus programs to serve new clientele/markets	3.313	3.410	3.167	3.310
S12	Strengthened athletic programs	3.308	3.280	3.110	3.500
E40	Ads in magazines/journals	3.297	3.200	3.270	3.400
E13	Annual evaluation of retention program	3.297	3.330	3.160	3.360
C54	Administration and faculty demonstrate increased sensitivity to market demands for relevant coursework	3.281	3.500	3.110	3.180
E19	Recruitment of minority students	3.254	3.080	3.270	3.400
E20	Recruitment of transfer students	3.238	3.260	3.220	3.220
E32	Telephone calls by faculty to prospective students	3.219	3.080	3.220	3.360
P18	Strengthened academic support services	3.188	3.500	2.940	3.040
S11	Creative efforts to meet student needs	3.185	3.680	3.720	4.040
S8	Strengthened community program support	3.185	3.320	2.880	3.270
E58	Separate orientation program for parents	3.156	3.080	3.110	3.270
E27	Home visits with prospective students and/or their families	3.127	3.130	3.000	3.220
E42	Utilization of the College Entrance Examination Board, ACT or other student searches/ mailing lists	3.125	3.040	2.770	3.500
S10	Strengthened relations with sponsoring church	3.123	3.320	2.830	3.130
C43	Persuasion, negotiation, and coalition-building are examples of what determines resource allocation	3.111	3.080	3.050	3.190
P21	Made changes to improve academic advising program/system	3.094	3.250	3.220	2.810
P11	Enhanced faculty development program(s)	3.094	3.167	3.110	3.000
P22	Made changes to improve career planning/placement programs	3.078	3.250	3.389	2.630
E55	Follow-up studies conducted with accepted students who fail to enroll (surveys, phone calls, etc.)	3.063	3.120	2.940	3.090
F34	Fundraising with sponsoring church	3.063	3.280	2.520	3.230
C4	The mission statement has been revised	3.046	3.400	2.380	3.180

		<u>A</u>	<u>I</u>	<u>S</u>	<u>D</u>
C19	This college establishes new domains of activity	3.031	3.400	2.780	2.810
S7	Strengthened community financial support	3.015	3.160	2.610	3.180
S9	Efforts to increase gifts/aid from sponsoring church	3.000	3.200	2.330	3.310
E18	Recruitment of adult students	2.984	3.170	2.660	3.040
E61	Attempts to increase student participation in student government, residence life and other campus	2.969	3.000	2.610	3.220
E4	Summary reports of yield of enrolled students by characteristic and academic ability	2.968	2.520	2.830	3.540
E6	Systematic procedures for monitoring freshmen persistence	2.952	2.780	3.000	3.090
P20	Added extended orientation program/course	2.938	3.120	3.167	2.540
E48	Use of administrators in recruitment	2.938	2.790	3.050	3.000
E59	Communication with parents of prospective students (newsletter, brochure, special mailings, etc.)	2.938	2.750	2.890	3.180
E28	Off-campus receptions, dinners for prospective students and/or their families	2.937	2.780	3.270	2.810
E1	Demographic profiles of high school seniors within region of greatest employment	2.937	3.040	2.500	3.180
F43	Fundraising with alumni	2.921	3.040	2.700	2.950
E47	Use of pastors in recruitment	2.906	2.790	3.160	2.810
P6	Development of new off-campus programs to serve new clientele/markets	2.906	2.950	3.050	2.720
E24	Visits to campus by high school personnel (counselors, teachers, etc.)	2.906	2.870	2.610	3.180
E15	Special programs for high ability students	2.889	3.170	2.950	2.540
E21	Recruitment of international students	2.873	2.910	2.830	2.860
E2	Market research studies of prospective student markets	2.873	2.860	2.500	3.180
F16	Deferring maintenance and repair funding	2.841	2.720	2.820	3.000

		A	I	S	D
E7	Market research studies of currently enrolled student attitudes and perceptions	2.841	2.690	2.660	3.130
P16	Added new majors to meet emerging societal needs	2.813	2.790	3.000	2.680
E5	Summary reports of undergraduate retention by student and program characteristic	2.810	2.390	2.720	3.310
P2	Addition of courses in general education areas	2.797	2.910	2.940	2.540
P3	Reallocation of funds to support innovative courses or programs	2.781	2.790	2.667	2.860
E8	Market research studies of withdrawn student attitudes and perceptions	2.778	2.820	2.550	2.900
S26	Strengthened fund-raising expectations for teachers	2.754	2.680	2.610	2.950
F33	Fundraising with community organization	2.746	2.840	2.580	2.760
P4	Reallocation of funds from low student demand area to high student demand area	2.734	2.540	2.668	3.000
E53	Summer orientation program for new students	2.703	3.000	2.770	2.310
S22	Released less competent administrators	2.692	2.760	2.440	2.810
E44	Use of alumni in recruitment	2.688	2.670	2.780	2.630
P17	Initiated truly innovative programs and courses	2.688	2.790	2.610	2.630
F47	Deliberate attempts to use gift money to reduce reliance on tuition income	2.668	2.440	2.640	2.950
F17	Decreasing equipment funding	2.651	2.440	2.580	2.950
E64	Utilization of consultants to assist in recruitment and/or retention efforts	2.641	2.410	2.500	3.000
P12	Expanded days and times when courses are offered	2.563	2.910	2.500	2.220
C12	Major decisions are not very centralized	2.562	2.760	2.770	3.040
F10	Increasing fees (other than tuition)	2.540	2.320	2.520	2.800
E57	Segmented orientation for student subgroups: (e.g., transfers, minorities, internationals, etc.)	2.500	2.620	2.440	2.400
P14	Added required courses to curriculum	2.484	2.620	2.610	2.220
E33	Telephone calls by alumni to prospective students	2.484	2.370	2.610	2.500

APPENDIX 7 - Continued

		<u>A</u>	<u>I</u>	<u>S</u>	<u>D</u>
F42	Use of marketing research to develop new sources of financial support	2.460	2.480	2.170	2.667
E66	Development of formal, written retention plan	2.438	2.160	2.270	2.860
E37	Ads on radio or television	2.413	2.390	2.380	2.450
E14	Early enrollment of high school students	2.413	2.730	2.330	2.130
E38	Ads in local newspapers	2.397	2.430	2.330	2.400
S25	Restructured Trustee Board	2.354	2.400	1.830	2.720
E49	Use of trustees in recruitment	2.328	2.290	2.550	2.180
P13	Added graduate level courses/programs	2.297	2.540	2.440	1.900
F44	Use of faculty in fundraising	2.286	2.400	2.230	2.190
E60	An administrator specifically responsible for monitoring attrition and developing retention programs	2.266	2.250	1.940	2.540
E3	Comparative profiles of enrolled freshmen with college-bound in-state freshmen	2.254	2.470	1.780	2.400
E9	Forecasts of course/staff requirements based on appropriate test populations and freshmen course registration	2.222	2.170	2.160	2.310
F4	Reduction of non-academic programs through selective cuts	2.175	1.960	2.050	2.520
E11	Data provided by the ACT Enrollment Information Service	2.175	2.210	1.720	2.500
E56	Follow-up studies conducted with prospects who fail to apply (surveys, phone calls, etc.)	2.172	1.870	2.160	2.500
F2	Reduction of academic programs through selective cuts	2.143	1.800	2.000	2.667
P7	Development of cooperative arrangements with other institutions to add academic programs or courses	2.141	2.080	2.278	2.090
F46	Current students	2.127	2.320	1.940	2.040
F19	Development of contingency retrenchment plan	2.111	2.120	1.880	2.280
E30	Displays, booths in central or public locations (malls, etc.)	2.094	1.750	2.220	2.360
E22	Special programs for business and industry	2.079	1.780	2.380	2.130
F26	Development of cooperative arrangements with other institutions	2.079	2.040	2.110	2.090

		<u>A</u>	<u>I</u>	<u>S</u>	<u>D</u>
F35	Fundraising with other religious orgs.	2.079	2.160	2.000	2.040
P15	Added adult-accelerated degree completion program(s)	2.078	3.330	2.830	3.000
P10	Increased course section sizes	2.063	2.200	1.778	2.130
P19	Use of part-time faculty in administrative positions	2.000	1.950	1.940	2.090
F21	Elimination of unprofitable non-academic programs	1.937	1.800	1.640	2.330
F20	Elimination of unprofitable academic programs	1.905	1.760	1.820	2.140
E10	Data provided by the College Board Enrollment Planning Service	1.873	1.820	1.660	2.090
F15	Faculty/staff salary freeze	1.841	1.840	1.640	2.000
P9	Increased faculty/student ratio	1.828	1.830	1.500	2.090
E39	High school newspapers	1.825	1.520	2.050	1.950
F24	Merger of departments and programs	1.794	1.560	1.760	2.090
F23	Negotiation of early retirement with senior staff or faculty members	1.730	1.520	1.529	2.140
F25	Merger of co-curricular services and programs	1.714	1.560	1.880	1.760
F27	Elimination of professional staff positions	1.714	1.360	1.700	2.140
E17	Recruitment of weekend students	1.635	1.470	1.550	1.860
F5	Reduction of faculty size through natural attrition (death, retirement, etc.)	1.619	1.320	1.580	2.000
F7	Dismissal of non-tenured faculty in low student demand areas	1.603	1.440	1.520	1.850
F6	Reduction of professional staff through natural attrition (death, retirement, etc.)	1.587	1.320	1.520	1.950
C47	Graduate level courses/programs have changed the mission of this college	1.578	1.700	1.550	1.450
F3	Reduction of non-academic programs through across-the board cuts	1.571	1.240	1.529	2.000
F22	Retraining faculty from low demand areas to high demand areas	1.556	1.560	1.410	1.660
F1	Reduction of academic programs through across-the-board cuts	1.413	1.200	1.350	1.710
S23	Cut back athletic programs	1.369	1.280	1.110	1.680
E36	Ads on billboards, transit bus/subways	1.365	1.470	1.440	1.180

		<u>A</u>	<u>I</u>	<u>S</u>	<u>D</u>
C50	New undergraduate majors/programs have changed the mission of this college	1.359	1.330	1.550	1.220
P8	Increased faculty teaching loads	1.328	1.330	1.220	1.400
F11	Decreasing fees (other than tuition)	1.317	1.480	1.110	1.280
F28	Retraining faculty in low demand areas to fill staff positions	1.238	1.280	1.110	1.280
C49	A new mission defines programs which are outside of faculty expertise	1.234	1.330	1.220	1.130
F8	Dismissal of tenured faculty in low student demand areas	1.159	1.080	1.170	1.230
F14	Faculty/staff salary reductions	1.143	1.080	1.000	1.330
C51	Changes in required courses have changed the mission of this college	1.141	1.120	1.330	1.000
F9	Dismissal of non-tenured faculty in high student demand areas	1.127	1.160	1.050	1.140
F13	Decreasing tuition levels	1.079	1.000	1.230	1.040

APPENDIX 8

REGROUPED VARIABLES:

ADAPTIVE AND INTERPRETIVE STRATEGIES

REGROUPED VARIABLE 1: ATTRACT
CHANGES MADE TO ATTRACT OR RETAIN STUDENTS

- S1 Expanded recruitment efforts
- S11 Creative efforts to meet student needs
- S13 Expanded retention efforts
- E14 Early enrollment of high school students
- E15 Special programs for high ability students
- E16 Recruitment of students from sponsoring church
- E17 Recruitment of weekend students
- E18 Recruitment of adult students
- E19 Recruitment of minority students
- E20 Recruitment of transfer students
- E21 Recruitment of international students
- E23 Visits to campus by prospective students and/or their families
- E24 Visits to campus by high school personnel (counselors, teachers, etc.)
- E25 Visits to campus by church personnel (pastors, youth workers, youth groups, etc.)
- E26 High school visits by admissions counselors
- E27 Home visits with prospective students and/or their families
- E28 Off-campus receptions, dinners for prospective students and/or their families
- E29 Participation in college nights, fairs, etc.
- E30 Displays, booths in central or public locations (malls, etc.)
- E31 Direct mailings to prospective students
- E32 Telephone calls by faculty to prospective students
- E33 Telephone calls by alumni to prospective students
- E34 Telephone calls by current students to prospective students
- E35 Toll free lines to the admissions office for prospective student use

- E36 Advertisements on/in billboards or transit bus/subways, etc.
- E37 Advertisements on/in radio or television
- E38 Advertisements on/in local newspapers
- E39 Advertisements on/in high school newspapers
- E40 Advertisements on/in magazines/journals
- E41 Promotional films, videotapes, cassettes, etc.
- E43 Utilization of faculty in institutional recruitment activities
- E44 Utilization of alumni in institutional recruitment activities
- E45 Utilization of current students in institutional recruitment activities
- E46 Utilization of coaches and other activity directors (e.g., band/choir directors, etc.) in institutional activities
- E47 Utilization of pastors in institutional recruitment activities
- E48 Utilization of administrators (non-admissions) in institutional recruitment activities
- E49 Utilization of trustees in institutional recruitment activities
- E50 An increase in the number and/or amounts of financial aid awards
- E51 Use of financial aid to shape student body
- E52 An increase in the awarding of no-need merit scholarships
- E53 Summer orientation program for new students
- E54 Summer advising and registration for new students
- E57 Segmented orientation for student subgroups (e.g., transfers, minorities, international, etc.)
- E58 Separate orientation program for parents
- E59 Communication with parents of prospective students (newsletter, brochure, special mailings, etc.)
- E61 An administrator specifically responsible for monitoring attrition and developing retention programs
- E64 Utilization of consultants to assist in recruitment and/or retention efforts
- P18 Strengthened academic support services

- P20 Added extended orientation program/course
- P21 Made changes to improve academic advising program/system
- P22 Made changes to improve career planning/placement programs
- P24 Made changes to improve student development programs

REGROUPED VARIABLE 2: CHANGE
STRATEGIES REFLECTING INCREASED RECEPTIVENESS TO CHANGE

- S5 Revised academic programs to meet current trends
- S6 Added new academic programs
- S18 Organizational restructuring
- S20 Hired more competent administrators
- S22 Released less competent administrators
- C7 A spirit of entrepreneurship is encouraged and innovative ideas are rewarded
- C13 Innovative activity at this college is increasing
- C18 This institution tends to do more of what it does well, to expand in areas we have expertise
- C19 This college establishes new domains of activity
- C20 We are increasing the quality of the individuals in top administrative positions
- E61 An administrator specifically responsible for monitoring attrition and developing retention programs
- E64 Utilization of consultants to assist in recruitment and/or retention efforts
- C31 Formal lines of communication have been simplified to increase the flow of information among people in offices which influence enrollment
- F1 Reduction of academic programs through across-the-board cuts
- F2 Reduction of academic programs through selective cuts
- F3 Reduction of non-academic programs through across-the-board cuts
- F4 Reduction of non-academic programs through selective cuts
- F7 Dismissal of non-tenured faculty in low student demand areas
- F8 Dismissal of tenured faculty in low student demand areas
- F9 Dismissal of non-tenured faculty in high student demand areas
- F20 Elimination of unprofitable academic programs
- F21 Elimination of unprofitable non-academic programs
- F24 Merger of departments and programs

- F25 Merger of co-curricular services and programs
- F27 Elimination of professional staff positions
- P1 Addition of courses or programs in high student demand areas
- P3 Reallocation of funds to support innovative courses or programs
- P4 Reallocation of funds from low student demand area to high student demand area
- P5 Development of new on-campus programs to serve new clientele/markets
- P6 Development of new off-campus programs to serve new clientele/markets
- P7 Development of cooperative arrangements with other institutions to add academic programs or courses
- P17 Initiated truly innovative programs and courses
- P19 Use of part-time faculty in administrative positions
- C52 The faculty at this college are involved in ongoing program review and revision
- C54 Administration and faculty demonstrate increased sensitivity to market demands for academic programs

REGROUPED VARIABLE 3: CONSERVE
STRATEGIES REFLECTING INCREASED EFFORTS TO
CONSERVE OPERATING FUNDS

- S16 Improved campus information systems
- S17 Improved budgeting and cost-control systems
- S23 Cut back athletic programs
- F1 Reduction of academic programs through across-the-board cuts
- F2 Reduction of academic programs through selective cuts
- F3 Reduction of non-academic programs through across-the-board cuts
- F4 Reduction of non-academic programs through selective cuts
- F5 Reduction of faculty size through natural attrition (death, retirement, etc.)
- F6 Reduction of professional staff through natural attrition (death, retirement, etc.)
- F7 Dismissal of non-tenured faculty in low student demand areas
- F8 Dismissal of tenured faculty in low student demand areas
- F9 Dismissal of non-tenured faculty in high student demand areas
- F10 Increasing fees (other than tuition)
- F11 Decreasing fees (other than tuition)
- F12 Increasing tuition levels
- F13 Decreasing tuition levels
- F14 Faculty/staff salary reductions
- F15 Faculty/staff salary freeze
- F16 Deferring maintenance and repair funding
- F17 Decreasing equipment funding
- F18 Implementing energy-conservation programs
- F20 Elimination of unprofitable academic programs
- F21 Elimination of unprofitable non-academic programs
- F22 Retraining faculty from low demand areas to high demand areas

- F23 Negotiation of early retirement with senior staff or faculty members
- F24 Merger of departments and programs
- F25 Merger of co-curricular services and programs
- F27 Elimination of professional staff positions
- F28 Retraining faculty in low demand areas to fill staff positions
- F29 Implementation of tighter budget controls
- P8 Increased faculty teaching loads
- P9 Increased faculty/student ratio
- P10 Increased course section sizes

REGROUPED VARIABLE 4: RESEARCH
RESEARCH AND PLANNING STRATEGIES

- S19 Developed and implemented strategic plan
- S24 Increased emphasis on strategic planning
- E1 Demographic profiles of high school seniors within region of greatest enrollment
- E2 Market research studies of prospective student markets
- E3 Comparative profiles of enrolled freshmen with college-bound in-state freshman
- E4 Summary reports of yield of enrolled students by characteristic and academic ability
- E5 Summary reports of undergraduate retention by student and program characteristic
- E6 Systematic procedures for monitoring freshmen persistence
- E7 Market research studies of currently enrolled student attitudes and perceptions
- E8 Market research studies of withdrawn student attitudes and perceptions
- E9 Forecasts of course/staff requirements based on appropriate test populations and freshman course registration
- E10 Data provided by the College Board Enrollment Planning Service
- E11 Data provided by the ACT Enrollment Information Service
- E12 Annual evaluation of recruitment program
- E13 Annual evaluation of retention program
- E42 Utilization of the College Entrance Examination Board, ACT or other Student Searches/Mailing Lists
- E55 Follow-up studies conducted with accepted students who fail to enroll (surveys, phone calls, etc.)
- E56 Follow-up studies conducted with prospects who fail to apply (surveys, phone calls, etc.)
- E60 Use of geodemographic marketing analysis and information
- E63 Targeted recruitment activities segmented by primary, secondary, and tertiary markets
- E65 Development of formal, written recruitment plan

- E66 Development of formal, written retention plan
- F19 Development of contingency retrenchment plan
- F42 Use of marketing research to develop new sources of financial support

REGROUPED VARIABLE 5: PRODUCE
CHANGES MADE IN PRODUCTS OR SERVICES

- S5 Revised academic programs to meet current trends
- S6 Added new academic programs
- P1 Addition of courses or programs in high student demand areas
- P2 Addition of courses in general education areas
- P3 Reallocation of funds to support innovative courses or programs
- P4 Reallocation of funds from low student demand area to high student demand area
- P5 Development of new on-campus programs to serve new clientele/markets
- P6 Development of new off-campus programs to serve new clientele/markets
- P7 Development of cooperative arrangements with other institutions to add academic programs or courses
- P12 Expanded days and times when courses are offered
- P13 Added graduate level courses/programs
- P14 Added required courses to curriculum
- P15 Added adult-accelerated degree completion program(s)
- P18 Strengthened academic support services
- P20 Added extended orientation program/course
- P21 Made changes to improve academic advising program/system
- P22 Made changes to improve career planning/placement programs
- P23 Made changes to improve religious life programs
- P24 Made changes to improve student development programs

REGROUPED VARIABLE 6: PROGRAM FOCUS
FOCUS FOR ACADEMIC PROGRAM

- F22 Retraining faculty from low demand areas to high demand areas
- F24 Merger of departments and programs
- P3 Reallocation of funds to support innovative courses or programs
- P4 Reallocation of funds from low student demand area to high student demand area
- P16 Added new majors to meet emerging societal needs
- C47 Graduate level courses/programs have changed the mission of this college
- C48 This campus is concerned with providing students with a high quality educational experience
- C49 A new mission defines programs which are outside of faculty expertise
- C50 New undergraduate majors/programs have changed the mission of this college
- C51 Changes in required courses have changed the mission of this college
- C52 The faculty at this college are involved in ongoing program review and revision
- C54 Administration and faculty demonstrate increased sensitivity to market demands for academic programs
- C55 The academic programs offered here reflect the mission of the college

REGROUPED VARIABLE 7: EXTERNAL IMAGE
STRATEGIES REFLECTING EFFORTS TO STRENGTHEN RELATIONS
WITH EXTERNAL CONSTITUENCIES

- S2 Expanded fund-raising efforts of president
- S3 Efforts to increase gifts/grants from benefactors
- S4 Increased public awareness efforts of president
- S7 Strengthened community financial support
- S8 Strengthened community program support
- S9 Efforts to increase gifts/aid from sponsoring or supporting church
- S10 Strengthened relations with sponsoring or supporting church
- S12 Strengthened athletic programs
- S14 Strengthened public relations function
- S21 Strengthened the development/fund-raising function
- C10 People associated with this college share a common definition of its missions
- C11 Those who make a personal or financial investment in this institution believe that they receive an ample return
- C17 Our senior administrators place emphasis upon educating important outsiders about the value of this college
- E22 Special programs for business and industry
- E44 Utilization of alumni in institutional recruitment activities
- E47 Utilization of pastors in institutional recruitment activities
- E58 Separate orientation program for parents
- E59 Communication with parents of prospective students (newsletter, brochure, special mailings, etc.)
- F26 Development of cooperative arrangements with other institutions
- F30 Fundraising activities directed toward alumni
- F31 Fundraising activities directed toward business and industry
- F32 Fundraising activities directed toward private foundations
- F33 Fundraising activities directed toward community organizations

- F34 Fundraising activities directed toward sponsoring denomination
- F35 Fundraising activities directed toward other religious organizations
- F36 Fundraising activities directed toward trustees
- F37 Fundraising through annual giving
- F38 Fundraising through major gifts
- F39 Fundraising through direct mail solicitation
- F40 Fundraising through telephone solicitation
- F41 Fundraising through capital campaign
- F43 Involvement of alumni in fundraising activities
- F44 Involvement of faculty in fundraising activities
- F45 Involvement of trustees in fundraising activities
- F46 Involvement of current students in fund raising activities
- F47 Deliberate attempts to use gift money to reduce reliance on tuition income
- F48 Constructed or bought additional physical plant
- P6 Development of new off-campus programs to serve new clientele/markets
- P23 Made changes to improve religious life programs

REGROUPED VARIABLE 8: TRUSTEES
STRATEGIES TO IMPROVE/INVOLVE TRUSTEES

- S15 Strengthened quality and effectiveness of trustees
- S25 Restructured Trustee Board
- S26 Strengthened fund-raising expectations for trustees
- C21 The trustees are generally supportive of the mission of this college
- C22 Adversarial relations do not exist between the administration and trustees
- C24 The trustees are primarily involved in broad policy issues
- C25 The trustees are not primarily involved in minutia and day-to-day details
- C26 The trustees do not occasionally override the decisions made by senior administrators
- C27 The trustees of this institution have high credibility
- E49 Utilization of trustees in institutional recruitment activities
- F36 Fundraising activities directed toward trustees
- F45 Involvement of trustees in fundraising activities

REGROUPED VARIABLE 9: COOPERATION
STRATEGIES REFLECTING GOOD COOPERATION AND COMMUNICATION

- C6 There is an effective means of conveying the college's mission to the public
- C12 Major decisions are not very centralized
- C14 Morale is increasing among members of this institution
- C15 Senior administrators have high credibility
- C16 Conflict is not increasing within this institution
- C22 Adversarial relations do not exist between the administration and trustees
- C23 Burnout is not a real threat in this institution
- C25 The trustees are not primarily involved in minutia and day-to-day details
- C26 The trustees do not occasionally override the decisions made by senior administrators
- C27 The trustees of this institution have high credibility
- C29 Enrollment concerns have become a priority across the campus
- C30 Necessary information for enrollment related decisions is readily available within this college
- C31 Formal lines of communication have been simplified to increase the flow of information among people in offices which influence enrollment
- C32 Faculty and administrators demonstrate concern for the individual welfare of students and each other
- C33 This college places emphasis on serving students
- C34 The senior administration demonstrates concern for the individual welfare of students and each other
- C35 This campus is concerned with providing students with a high quality educational experience
- C37 Necessary information for financial decision-making is readily available within this college
- C38 When cutbacks occur they are done on a prioritized basis
- C39 People at this college make resource decisions collegially

- C40 A rational process is used to make resource allocation decisions at this college
- C41 Resource allocation decisions are not made bureaucratically at this college
- C42 Resource allocation decisions are not made autocratically at this college
- C43 Persuasion, negotiation, and coalition-building are examples of what determines resource allocation
- P11 Enhanced faculty development program(s)
- P25 Made changes to improve the campus climate
- C45 Faculty/administrator cooperation is fostered
- C46 Necessary information for academic decision-making is readily available within this college
- C53 Adversarial administrative/faculty relations do not exist at this college

REGROUPED VARIABLE 10: MISSION
STRATEGIES TO STRENGTHEN MISSION OR REFLECTING
STRONG MISSION

- S19 Developed and implemented strategic plan
- S24 Increased emphasis on strategic planning
- C1 The college operates with a liberal arts mission
- C2 The college is appropriately Christian in its character
- C3 The mission statement has been reaffirmed
- C4 The mission statement has been revised
- C5 The mission statement is referred to for guidance in major decision-making
- C8 This college has a special identity, unlike any other in higher education
- C9 There is a general sense that this college has a distinctive purpose to fulfill
- C10 People associated with this college share a common definition of its mission
- C11 Those who make a personal or financial investment in this institution believe that they receive an ample return
- C18 This institution tends to do more of what it does well, to expand in areas we have expertise
- C36 The mission statement is referred to for guidance when making resource allocation decisions
- C28 The mission statement is referred to for guidance in the development and implementation of academic programs
- C55 The academic programs offered here reflect the mission of the institution
- E51 Use of financial aid to shape student body
- E62 The development of a distinctive college character in comparison with competitors and/or other similar colleges
- C44 The mission statement is referred to for guidance in the development and implementation of academic programs

APPENDIX 9
LETTERS OF PERMISSION



Franklin College

Student Affairs Department

February 23, 1995

Melissa Morriss-Olson
Vice President for Enrollment Management
and Constituency Relations
North Park College
3225 West Foster Avenue
Chicago IL 60625

Dear Melissa,

Congratulations on the successful defense of your dissertation! I remember the complexities of the final paperwork being in some ways worse than doing the actual dissertation. I sympathize.

You have my permission, not only to adapt the survey that I used in my dissertation, but to reprint the adapted survey in your own dissertation.

Best wishes.

Susan B. Griffith
Dean of Students

August 30, 1993

VICE CHANCELLOR FOR
EXTERNAL AFFAIRS



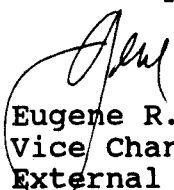
Melissa Morriss-Olson
Vice President for Enrollment Management
and Planning
North Park College
3225 West Foster Avenue
Chicago, Illinois 60625-4895

Dear Melissa:

I am pleased that you have found a use for the survey instrument I developed as part of my dissertation. You have my permission to use any of the relevant materials for your study and in your dissertation. I am interested in the work you are doing and look forward to hearing the results.

Best wishes.

Cordially,


Eugene R. Tempel
Vice Chancellor for
External Affairs

ERT/af

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VITA

Melissa Morriss-Olson obtained the bachelor's degree *magna cum laude* in 1979 with majors in sociology and social work and with minors in psychology and music, from Bemidji State University (MN), and the master of arts degree in 1984 in guidance and counseling from Northeastern Illinois University (IL). Her master's thesis involved an investigation of the dynamics influencing the satisfaction of married seminarians. In 1995, Morriss-Olson received the Ph.D. degree in higher education administration *with distinction*, with minor work in sociology and organizational development from the Department of Educational Policy and Leadership Studies of Loyola University Chicago. Her dissertation topic involved an investigation into the fiscal conditions and management strategies and actions employed by member institutions of the Christian College Coalition from 1981 to 1991.

Since 1987, Morriss-Olson has been employed at North Park College Chicago, most recently as Vice President for Enrollment Management and Constituency Relations. Morriss-Olson's professional background is broad in scope and includes experience in the areas of residence life, academic advising, academic support, career planning, admissions, financial aid, and strategic planning.

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The dissertation is, therefore, accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy.

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