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Liberal Arts Colleges During the Great Recession: Examining Organizational Adaptation and Institutional Change

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LIBERAL ARTS COLLEGES DURING THE GREAT RECESSION:
EXAMINING ORGANIZATIONAL ADAPTATION AND INSTITUTIONAL CHANGE

LIBERAL ARTS COLLEGES DURING THE GREAT RECESSION:
EXAMINING ORGANIZATIONAL ADAPTATION AND INSTITUTIONAL CHANGE

A dissertation submitted in partial fulfillment
of the requirements for the degree of
Doctor of Education in Higher Education

By

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ABSTRACT

Liberal arts colleges strived to adapt to environmental shifts at the turn of the twenty-first century and remain relevant in American society while the Great Recession of 2007 compounded their challenges and created new fiscal and enrollment burdens, which forced these institutions to confront paradigm-changing circumstances. In an effort to advance the historical perspective of liberal arts colleges and expand the organizational adaptation research base, the current study aimed to understand how private liberal arts colleges adapted during the Great Recession of 2007 by examining institutional changes at three private liberal arts colleges and their effects on the institutions' operations. To fulfill this purpose, the study was guided by four research questions that studied the nature of the environmental pressures during the recession, the adaptive strategies employed to combat pressures, the effects of those strategies on the institutions' operations, and institutional constituencies' perceptions of these strategies. This multiple-case study analyzed data from 3 liberal arts colleges located in the southeastern region of the United States, which included 30 participant interviews, public and private documents, and observational field notes. The findings were presented in 2 parts - a descriptive case record of each institution and a cross-case comparative analysis of the study's themes as they related to the study's research questions. The findings focused on the challenges of decreased endowments and increased enrollment pressures; described an array of institutional adaptive strategies implemented in areas of fiscal management, academics, athletics, personnel, fundraising, and enrollment; discussed the changing operations of the role of the board, administrative approaches to leadership and decision-making, and faculty involvement in organizational adaptation; and analyzed perceptions of change that linked organizational effectiveness to leadership and institutional identity. The study's themes were examined within the context of Cameron's (1984)

and Birnbaum's (1988) organizational adaptation frameworks, which included the population ecology, life cycles, resource dependence, symbolic action, and cybernetics models. Finally, recommendations for future research, policy, and practice focused on issues of self-governance and institutional identity. The study's investigation of the modern liberal arts college adaptation highlighted the prominence of both the external environment and institutional factors in its story of survival.

This dissertation is approved for recommendation
to the Graduate Council.

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It is no surprise that in the final days of writing my dissertation, I found myself at Mom and Dad's kitchen table, writing Chapter Five, and completing the most ambitious requirement of my formal education at home. My parents, Mike and Janice, made a commitment decades ago to provide their three children with the very best educational opportunities they could offer us and they continuously reiterated and disciplined the value into our minds. At times, I am sure that their commitment was hugely costly and was seemingly unrewarding, especially when, immediately upon finishing one degree, each of us would enthusiastically announce our intention to re-enroll in school and pursue another degree. With the completion of my doctoral requirements and my sister's near completion of hers, my siblings and I will hold a total of seven degrees from five institutions of higher education and the broad promise and security of an enlightened future. My parents never finished their own college degrees, but they have prized the value of education more than anyone else I know, and in my eyes, they are as much honor graduates as the three of us are.

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DEDICATION

Most importantly, the publication of my dissertation is dedicated to my most valued friend and husband, Chris. Chris, only you and I know how much of this achievement is really yours to pride. You braved the dirty house, stale food, and lights-on-way-too-late as long as I did; and so many times, you cleaned, and you cooked, and you waited up for me, and I owe you big for it. After writing more than 79,000 words in this dissertation, I'm still lost for words when it comes to describing how much I love and respect you. Your humility humbles me and your steady and strong love makes me bolder and greater in everything I do. It is fitting that my most meaningful milestones in life have come with you standing beside me. Nothing in this life will ever make me as happy as chasing our dreams together does. Here's to the next big dream. You call it.

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CHAPTER I

INTRODUCTION

For decades, researchers have examined the relationship between higher education and the larger economic context and sociopolitical landscape. As a cornerstone institution in society, higher education's purpose, operations, and effectiveness have led to philosophical debate among faculty, administrators, students, policymakers, legislators, and the general public. These debates are more complex than ever as a result of a rapidly changing economy, an increasingly stratified and disengaged democracy, and the decentralized growth and diversification of higher education. In an era defined by the need for advanced education more than any era before it, higher education in the United States still faces significant hurdles to providing broad-based, quality education while maintaining its mission and survival.

The liberal arts college and its education claim the distinction as the oldest form of higher education in the United States, born with the founding of Harvard College in 1636. Since its inception, researchers have demonstrated the educational effectiveness of liberal arts education and liberal arts colleges by pointing to several different experience and outcome measures. However, while the liberal arts college was the dominant institutional form of higher education for more than 200 years, the turn of the 20th century brought significant economic and societal changes that created new challenges for the liberal arts college model. These changes have tested the resilience of America's liberal arts colleges, forcing them to adapt to meet societal needs while simultaneously striving, and sometimes struggling, to uphold their missions and purposes. With continual decline in both number and enrollment sizes of liberal arts institutions alongside the significant growth of other higher education institutional types since the turn of the 20th century, it is of particular importance to examine the evolution of liberal arts colleges' adaptation

and their prospect of survival, especially with regard to the most recent and significant economic shifts in America. Therefore, the current study aimed to understand how private liberal arts colleges adapted during the Great Recession of 2007 by examining institutional changes at three private liberal arts colleges and their effects on the institutions' operations. Understanding the most recent external environmental pressures on liberal arts colleges and the institutions' adaptations informs organizational practice and broadens the existing body of higher education research.

Context of the Research Problem

At the center of higher education discussions is a philosophical examination of the purpose of higher education. What should higher education be teaching, and what should its students be learning? The answer to these questions inevitably determines a great deal about the mission of higher education and the nature of its curriculum, support, and operations. In a general sense, higher education in the United States has often been dichotomized into two platforms: liberal education and vocational education. While the dichotomy oversimplifies ideologies, it highlights two somewhat opposing and prominent views among researchers and practitioners.

Liberal education proponents have long argued that this distinctive educational approach was the world's and the United States' oldest and purest form of education, providing an education that teaches students how to think and learn by focusing on analytical skill more than content mastery (Goddard, 1986; Horowitz, 2005; Oakley, 2005; Simpson, 1980). The basic premise of liberal education asserted that discipline-specific content was an important component to education, but mastery of inquiry, critical thinking, synthesis, rhetoric and public discourse, and the acquisition of an eager and open mind were the hallmarks of lifelong and

transformative education (Aloi, Gardner, & Lusher, 2003; Casement, 1999; Ehrlich & Carnegie Foundation for the Advancement of Teaching, 2007; Lears, 2003; Weingartner, 2007).

Maldonado, Lacey, and Thompson (2007) described the liberal arts educational process as an immersive educational experience that forced people to take a position and connect academic content to realistic contexts. Maldonado et al. (2007) argued that this negotiation of intellect and reality allowed students to integrate their educations with their lives. These early American teaching methods paralleled Middle Ages educational practices that exposed students to the “quadrivium” and to the “trivium,” and addressed more than the need for job preparation. This type of learning experience included aims of leadership cultivation, a sense of social responsibility, and the development of the whole person (Jalbert, 2009; King, Brown, Lindsay & Vanhecke, 2007; Matthews, 1977; O’Sullivan, 2009; Simpson, 1980). While liberal education did not specifically focus on job preparation, proponents argued that the education process inevitably qualified individuals to be critically thoughtful and driven employees in a vast array of fields (Daly, 1992; Granger, 1974; Tierney, 1980; Weingartner, 2007).

Historically, liberal arts colleges embraced liberal education more zealously than any other institutional type in higher education. Consequently, this commitment shaped several aspects of the liberal arts college, many of which are highlighted in higher education research and listed here: small institutional and enrollment size; residential environment; primary commitment to teaching with full-time faculty who hold PhDs in their fields; low faculty-student ratio and high faculty-student interaction; emphasis on student participation in civic and volunteer engagements; prominence of traditional liberal curricula including literature, history, philosophy, and religion; and a central focus on an integrated educational experience (Cech, 1999; Chickering & Gamson, 1987; Ekman, 2005; Hersh, 1999; Horowitz, 2005; Lang, 1999;

Oakley, 2005). Many researchers argued that, by virtue of these distinct features, liberal arts colleges provided a model for all education, especially in the twenty-first century (Chickering & Gamson, 1987; Hersh, 1999; Kuh, 2005). Specifically, Hersh (1999) argued, “When it comes to creating the optimum educational environment in which to produce the profoundly liberating education required to redress our larger cultural conditions, not to mention the requirements of future employment and democratic civic engagement, liberal arts colleges emerge clearly as the model to embrace” (p. 181). Similarly, Horowitz (2005) argued that while vocational education was “important to a career, the liberal arts college was important to life” (p. 421).

A Shift in Prominence

While liberal education and the liberal arts college thrived for much of the 17th, 18th, and 19th centuries in the United States, vocational education and the public university popularized at the turn of the 20th century and the liberal arts colleges, especially less-known and smaller ones, gradually lost their prominence and became increasingly vulnerable to failure (Breneman, 1994; Gilbert, 1995; Zammuto, 1984). Historians estimated that at the turn of the 20th century, nearly 70% of undergraduates in the United States attended liberal arts colleges, and the vast majority of institutions were classified as liberal arts colleges (Hersh, 1999). But, by the mid-1950s, liberal arts colleges made up only 40% of all higher education and educated only 25% of the nation’s total undergraduate population. These statistics continued to fall into the 1970s when liberal arts colleges made up only 25% of institutions and educated only 8% of the student population (Oakley, 2005).

Then in 2000, Carnegie Foundation for the Advancement of Teaching restructured institutional criteria for liberal arts classification. In order to be defined as a “Baccalaureate College-Liberal Arts,” an institution had to award at least 50% of its degrees in traditional liberal

arts, which included “English language and literature/letters; foreign languages and literatures; biological sciences or life sciences; mathematics; philosophy and religion; physical sciences; psychology; social sciences and history; visual and performing arts; area, ethnic, and cultural studies; liberal arts and sciences, general studies, and humanities; and multi or interdisciplinary studies” (Carnegie Foundation for the Advancement of Teaching, 2001, p. 12). Within these parameters, Carnegie Foundation for the Advancement of Teaching classified 228 institutions as liberal arts institutions, or 5.8% of the entire higher education institutional picture in 2000. These institutions enrolled roughly 2.5% of the total undergraduate enrollment in the United States (Carnegie Foundation for the Advancement of Teaching, 2001). Ten years later, Carnegie Foundation for the Advancement of Teaching once again revamped their classification system to focus on institutional type, size, and focus, eliminating the term “liberal arts” altogether. Today, Carnegie Foundation for the Advancement of Teaching classifies most traditional liberal arts colleges as “Baccalaureate Colleges--Arts & Sciences” (Carnegie Foundation for the Advancement of Teaching, 2010). These declining trends in liberal arts colleges were the result of a combination of loss of popularity in liberal arts curriculum; the closure, merging, and transition of focus at liberal arts colleges; and increased enrollments and institutional diversification in the wider landscape of higher education.

Research discussed this shift from liberal education to vocational education within the context of widespread economic and sociopolitical change during the 20th century, demonstrating the power of the external environment on institutions of higher education. The “democratization” of higher education in the 1940s and 1950s through the Serviceman’s Readjustment Act, breakthroughs in the civil rights movement, and the proliferation of community colleges led to increased accessibility and enrollments in higher education, but also led to a wider range of

student proficiency levels, redefining academic rigor and quality in education (Daly, 1992; Early, 2009; Rudolph, 1990). By the 1960s, a persistent demand for higher education led to institutional expansion and rising costs. Large public universities became the most cost-effective option offering expanded reputation, curricular and extracurricular opportunities, and networking on a larger scale than the liberal arts college. The 1970s, an era defined by rebellion against institutional power and advocacy for individual freedom, saw a fading of core education requirements highlighting a focus on student choice. These changes, some argued, negatively affected the quality of education and exaggerated focus on disciplinary knowledge (Brown, 2011; Goddard, 1986; Stern & Gaudiani, 1994). Others argued that these changes also infused liberal arts colleges with new social and political platforms (Early, 2009). By the 1980s, the market was severely constrained by an economic slump. The exodus of the baby boomer generation from higher education into the market forced employers to dig deeper into their employee resources to fill jobs, and knowledge and technology were changing at a faster-rate than ever before in American history (Daly, 1992). Students were interested most in education that taught skills aimed at a specific career path. Significantly higher salaries in technical fields positively reinforced this focus, especially amidst higher education costs and growing student loan debt (Goddard, 1986).

In general, significant technological change and the pervasiveness of the American economy in education combined with the increased accessibility of higher education created a widespread perception that vocational education best prepared the middle-class student for the market (Tierney, 1980). As a result, students transitioned from valuing liberal education and the liberal arts college to focusing on college degrees as a path to career preparation by way of the larger university and the more affordable community college. But Hersh (1999) argued that

increased popularity of vocationalism, and consequently the big university, had negative effects for students. He wrote that the “modern student-consumer model” encouraged lax admissions, easier grading requirements, higher dependency on graduate assistants, and large enrollments or, as he called it, “impersonal mass schooling” (Hersh, 1999, p. 180). These new challenges, he and Casement (1999) argued, presented significant hurdles to effectively teaching students critical skills in literacy and writing and would eventually negatively impact the country’s economic edge and political identity (Hersh, 1999). Lears (2003) defined this shift as an over-focus of “American vocationalism and anti-intellectualism” that created “a fundamental conflict in the university’s mission between furthering the pursuit of truth and serving the needs of the established power” (p. 23). Brown (2011) also argued that this concentration on specialization served to reinforce the status quo, especially the socioeconomic dimension of society. This “corporatization” of higher education was based on two poorly established premises: first, that students were well-informed consumers, and second, that faculty had no independent value to add to the overly structured educational process (Lears, 2003, p. 23).

Continued Relevance for Liberal Arts

Even among these historic economic and technological changes and calls for a new focus on progressively specialized education, a significant amount of research suggested that liberal arts education was more valuable in postmodern America than ever before and was indeed quite relevant (Goddard, 1986; Rhodes, 2010). More specifically, liberal arts advocates made two connected arguments: first, the new environmental context called for liberally educated individuals and two, liberally educated individuals were shown to be intellectually and socially prepared for the workplace and the world.

By the 1970s, researchers acknowledged the increased diversity and frequency of jobs Americans were expected to hold during their careers, highlighting the importance of teaching individuals how to learn and adapt to new tasks and new environments (Daly, 1992; Granger, 1974; Rhodes, 2010; Tierney, 1980). Yet, Casement (1999) and Hersh (1997) analyzed surveys that showed college students had surprisingly low levels of general knowledge with employees also insisting that college graduates learned too little in their degree programs. Signaling his concern, James Ferguson, chairman and chief executive officer of General Foods Corporation, made these comments at an Association of American Colleges meeting in 1983: “Modern education has become so highly specialized that many college graduates are no longer capable of looking beyond their own areas of expertise” (Unger, 1985, p. 32). Hersh (1999) reiterated the point when he argued that a “a nation of individuals who cannot read or write well, with no sense of the major human questions, who cannot think critically or show interest in learning, and who are unable to act responsibly in a diverse democratic society will be ill-equipped to compete in any new world order” (p. 180).

In light of these market concerns, Casement (1999) framed liberal arts education as both practical and utilitarian – an education that equipped individuals with “cultural literacy,” allowing them to critically analyze a situation and understand its context and meaning (p. 93). To further substantiate these assertions, researchers cited a number of surveys and employer studies, which supported liberal education as a method of career preparation that developed valuable soft skills (Daly, 1992; Goddard, 1986; Hersh, 1997; Unger, 1985). Corporations like Chase Manhattan Bank, General Motors, Morgan Stanley, and American Telephone and Telegraph all reported that liberal arts graduates made up a significant portion of their employee base and that, in certain instances, were promoted faster into management positions than their professionally

degreed counterparts (Beck, 1981; Daly, 1992; Goddard, 1986; Hersh, 1997; Unger, 1985).

Finally, researchers also indicated that liberally educated graduates perceived their degrees as highly relevant and effective to their careers (Ridley & Gallaer, 1993).

Beyond success in the workplace, several research studies and surveys made arguments for the academic effectiveness of liberal education. Winter and McClelland (1981) surveyed and tested freshmen, seniors, and graduates at 10 institutions and concluded that the liberal arts curriculum prepared students more effectively than vocational education when analyzed by measures of achievement motivation, self-definition, psychological adaptation to the environment, and leadership motivation. In addition, students who attended liberal arts colleges, as compared to other types of institutions, disproportionately succeeded in graduate school (Cech, 1999). Other studies showed that students who attended liberal arts colleges engaged in practices that were empirically linked to educational success and perceived their experience as positive and effective (Pascarella, Cruce, Wolniak, & Blaich, 2004; The Annapolis Group, 2011). Pascarella et al. (2004) concluded that liberal arts colleges fostered a broader range of 19 measures of effective learning practices in undergraduate education than other institutional types; these measures included faculty-student interactions, faculty feedback, and quality of teaching. Comparably, The Annapolis Group (2011), a group of 130 top liberal arts colleges in the country with missions based in liberal arts education, published an alumni research report in 2011 that showed a higher percentage of their alumni graduated in four years, lived on campus for most of their college years, were satisfied with their education, and thought they benefited from high-quality faculty and small classes than graduates from any other institutional type. Many of these factors are also indicators of academic success (The Annapolis Group, 2011).

The New Context of the Twenty-first Century

At the turn of the twenty-first century, the United States' economic and sociopolitical landscape once again shifted dramatically; shifts accentuated even more by the Great Recession of 2007 (Association of American Colleges and Universities [AACU], 2007). Indeed, there is once again a new reality for higher education and liberal arts colleges. The production-based economy of the past has quickly given way to an economy that is based in knowledge, information, and communication. Technological innovation, the digital age, and globalization continue to change the way the economy operates (AACU, 2007; Gedye, Fender, & Chalkley, 2004). In addition, American society has lost its civic momentum, signaled by a shift in several activities: a decrease in volunteerism, a growing inability to engage in public discourse, the decreased propensity to vote, and the increasing stratification of wealth in American democracy (Jacobs & Skocpol, 2005).

In addition, many higher education trends during the last century become more extreme in the 2000s. A 2003 University of California, Los Angeles study revealed that the majority of students listed "the ability to get a better job as a 'very important' factor in the decision to go to college," compared to 35 years ago when 86% of students reported "develop a meaningful philosophy of life" as their primary reason (Diconti, 2004, p. 168). This continued shift in perception combined with the demands of the economy has further increased the vocational focus on campuses across the nation. Yet, many employers continue to protest that graduates are not prepared for the market and lack necessary written and oral communication skills, the capacity for lifelong learning, and skills needed to engage in effective teamwork. These employers want workers who can explore and acquire knowledge in many areas within the field (Aloi et al., 2003). The economy has reached an unprecedented level of sophistication, but researchers have argued that technology alone cannot solve its problems; logical, problem-

solving, capable and educated individuals will solve America's problems and propel it to a new stage (Dudka, 2006). In addition, higher education is more vulnerable than ever before, depending heavily on the government and students and parents for revenue while operating in a market with significant institutional competition. As a result, universities and colleges seek to be as marketable as possible, which often equates to providing high-demand professional majors and content-focused courses that teach specific job skills.

Finally, there are a few notable and new overarching themes in higher education as a result of changing circumstances in the twenty-first century, especially in post-recession times. First, there has never been a bigger demand for higher education, but declining educational attainment levels have created a significant hurdle to higher education success (AACU, 2007). Second, new funding streams in higher education are now primarily generated from tuition dollars (Desrochers & Wellman, 2011). Third, current financial pressures are acting to solidify the inequity among institutions; more specifically, private non-profit institutions have significantly increased their spending per student while public institutions have not kept pace. And finally, public institutions are educating the vast majority of students in the twenty-first century; between 1999 and 2009, public institutions educated 80% of the United States' undergraduate enrollment while private institutions saw little growth (Desrochers & Wellman, 2011).

As students' perceptions of education becomes more specific, employers' expectations become more expansive, all the while higher education wrestles with how to prepare a diverse student enrollment for the challenges of employment and still provide a high level of liberal education (AACU, 2007; Bok 2006). Matthews (2010) reiterated this point: "As postsecondary education's role in society and the economy grows in importance, it's critical we define what is

meant by a high-quality education” (p. 5). These themes and other challenges in higher education have become even more apparent during the recent Great Recession of 2007.

The Great Recession of 2007 and Its Effects on Higher Education

The 2007 to 2009 economic recession in the United States was one of the significant downturns in American history. Following a smaller recession in late 2001, the mid-2000s were characterized by sustained real estate growth and job growth in the education, healthcare, and service industries. However, many individuals took advantage of increased home equity credit limits and by 2007, the housing market collapsed due to increased foreclosure and delinquent financing. A fragile economy was even more negatively affected by the 2008 United States financial market crisis (Dore & Singh, 2012; Goodman & Mance, 2011; Kowal, Snyders, Lombardozi, & Borgie, 2009). By the fall of 2008, global oil prices doubled and credit markets tightened lending practices, creating a national economic freeze. The recession cost America almost 9 million jobs, many concentrated in the construction and financial industries. Goodman and Mance (2011) labeled the Great Recession of 2007 the “deepest employment downturn since the end of World War II” (p. 9).

In its aftermath, researchers projected that the recession allowed the economy to accelerate an already rapid transition to a new knowledge-based economy by eliminating jobs en masse that will likely never return, but will rather be replaced with more sophisticated positions that will require a postsecondary degree (Carnevale et al., 2010). It is projected that within the next 20 years, 80% of jobs will be cerebral while only 20% will be manual, a near complete reversal from 1920 (Aloi et al., 2003). Additionally, by the time America is expected to fully rebound from the recession in 2018, it is expected that 63% of the 46 million newly created jobs will require a college degree (Carnevale et al., 2010). The driving force behind the disparity

between jobs and qualified labor is a fundamental shift in America's economy base (Gedye et al., 2004). Once again, the research indicated that it is no longer sufficient to teach employees basic skills that will be used for several decades for the same position. Instead, the new demands of the market require more jobs be filled with highly educated employees who can maneuver their way through complicated job changes.

While the economic recession further accentuated the significant need for higher education with liberal aims, it also significantly constrained higher education institutions' operations. Public institutions were most affected by significant cuts in state appropriations while private institutions experienced poor performing endowments, constrained finances, and enrollment hardships (Chabotar, 2009; Worley, 2008). While enrollments increased more in 2008 than any other year since the 1970s, small institutions actually sustained enrollment losses or had only minimal gains (Desrochers & Wellman, 2011). Even further, Chabotar (2009) argued that enrollments at most of these smaller institutions remained somewhat stable, mainly as a result of public institutions limiting enrollments and classes and implementing tuition increases, making private institutions more competitive than usual. However, generally speaking, institutions across the board became more dependent on tuition during the Great Recession of 2007, a dependency that has huge implications especially in an era defined by increased accessibility to higher education. Both public and private institutions responded to the recession by raising tuition by an average of 4.5% in 2009 (Chabotar, 2009). While private institutions were responsible for the biggest hikes in tuition, many also provided heightened levels of institutional financial aid, limiting the actual net tuition increase. This increase in aid was an absolute necessity for many small, private schools to maintain their enrollment numbers. Endowments, a source of revenue particularly important to private institutions, were also

significantly affected by the recession. On average, higher education endowments had a negative return of 19% in 2008 (Chabotar, 2009). The hardest hit institutions were those with endowments larger than 100 million dollars and those that depended on their endowment to supplement the operating budget. Many institutions sought long-term debt increases to compensate for the financial losses while others increased fundraising efforts with hopes of mitigating losses by securing additional private giving. However, fundraising was also negatively impacted by the recession. During 2008, charitable giving in the United States declined by almost 6%, while private giving to higher education institutions fell by 12%; both declines marked historic lows (Chabotar, 2009). As a result of restricted revenues, institutions focused on limiting expenditures to reduce deficits. Staffing expenditures became the primary concern since compensation typically made up the largest portion of institutions' overall budgets. Of the 300 colleges surveyed by the National Association of Independent Colleges and Universities (NAICU) in 2009, 53.5% of institutions froze salaries, 46.8% froze new hiring, 19% laid off staff, and 7% laid off faculty, mostly through attrition (Chabotar, 2009). Overall, Chabotar (2009) identified the most vulnerable institutions as those where net tuition accounted for more than 70% of the institution's operating revenue and where endowment spent rates were more than 5% of annual endowment earnings, based on 12- to 20-quarter rolling average.

Institutions responded in a variety of ways to the Great Recession of 2007. Some implemented "fundamental changes in mission, programs, and services" (Chabotar, 2009, p. 9). More specifically, some institutions evaluated program cuts and modifications in terms of their relevancy to the institutions' mission, performance, and potential. Others established new consortia to augment existing operations. Some examined new and existing staff positions through strategic, cost-benefit analyses. Other institutions implemented new public relations

techniques including social media and mobile applications. Smaller institutions especially increased marketing to highlight the benefits of a larger investment in a smaller school, demonstrating high graduation rates and learning outcomes in terms of intellectual and career skills. Some institutions established more strategic and targeted financial assistance programs, and some increased scholarship funding through private support. And finally, some institutions increased fundraising staffs especially for the purpose of raising private annual operating funds.

Statement of the Research Problem

The process of adapting to external environmental pressures is particularly challenging and significant for liberal arts colleges. As mentioned, the diminishment of true liberal arts colleges and education parallel the long-term changes in the United States' economy and society. Liberal arts education and liberal arts colleges are "eroding from all sides" and many agree with Brown (2011) and regard them as an "expensive and outmoded relic" (p. 22). Yet, many researchers and employers see liberal arts education and general education as a requirement for a competitive economy and a democratic society (AACU, 2007; Bok 2006; Carnevale et al., 2010; Matthews, 2010). In the wake of the Great Recession of 2007, many liberal arts colleges are struggling to remain operational and seek ways to adapt to the external context while abiding by their institutional missions (Chabotar, 2010). This effort to adapt and respond and be flexible, many researchers asserted, is a distinguishing feature of liberal arts colleges and one of the primary reasons these institutions have continued to exist (Horowitz, 2005; Simpson, 1980; Stone, 2004; Taves, 1998). The question then becomes if and how liberal arts colleges can adapt to the most recent and significant changes in the United States economy, specifically regarding the Great Recession of 2007.

While there is limited scholarly research examining how liberal arts colleges, especially the smaller and more financially vulnerable schools, adapted to changing external circumstances during the last decade, the topic was a popular focus in mainstream media (Chabotar, 2010). During and after the Great Recession of 2007, several media sources featured stories about liberal arts institutions that sought to survive and adapt to new external circumstances. Many of these institutions were characterized by significant enrollment decreases, investment losses, and curriculum changes (Biemiller, 2011; Carlson, 2012; Corral & Patai, 2008; Delbanco, 2012; Flemming & Schantz, 2010; Selingo, 2012; Stone, 2004).

The coverage on Antioch College was perhaps the most featured struggling college during this time period. Antioch College closed in 2008 amidst financial exigency, which provoked intense alumni and faculty protests. The closing was ultimately mediated through legal channels and both the administration and faculty issued formal reports disputing the circumstances surrounding the institution's failure. Eventually, a third-party negotiated the selling of Antioch College to a small group of committed faculty and alumni. The school reopened in 2011 with bare-boned operations and enrollments and a new vision for the future. Among the many issues that faced Antioch were the proliferation of satellite outreach campuses that generated significant revenue but led to the decentralization of the main campus, dropping enrollments, increasing deficits, and violent student uprisings that led to negative national publicity (Goldfarb, 2007; Zannoni, Ehrenberg, Fichtenbaum, & Storti, 2010).

Antioch was one example of several colleges that faced difficult realities in the last decade (Biemiller, 2011; Carlson, 2012; Corral & Patai, 2008; Delbanco, 2012; Flemming & Schantz, 2010; Selingo, 2012, Stone, 2004). The lack of scholarly research focused on these colleges' adaptation to the Great Recession of 2007 is of great significance to higher education

research. Researchers have established that higher education is a healthier system when it maintains its institutional diversity (AACU, 2007; Zammuto, 1984). The decrease in liberal arts colleges consequently reduced diversity in the system. Additionally, many researchers have argued that liberal arts colleges are models for all of education, and that the education they provide is essential for the nation to maintain an economic edge and a democratic society (AACU, 2007; Hersh, 1999). Finally, understanding the adaptation of liberal arts colleges during the 2007 recession provides the next chapter of research in the long history of liberal arts colleges' survival story.

Purpose of the Study

The current study's purpose was to understand how private liberal arts colleges adapted during the Great Recession of 2007 by examining institutional changes at three private liberal arts colleges and their effects on the institutions' operations. The study gave specific attention to liberal arts colleges located in the southeastern region of the United States. According to the National Bureau of Economic Research, the United States' economy peaked in December of 2007, ending an era of significant expansion and marking the beginning of an 18-month recession. The Great Recession of 2007 was longer than any other recession since World War II (National Bureau of Economic Research, 2010). Therefore, the current study's examination of liberal arts colleges focused specifically on pressures and adaptive strategies these institutions experienced in the last decade. Additionally, in an effort to examine the broad nature of challenge and adaptive strategies at liberal arts colleges, the current study focused on three institutions that were similar in terms of classification and religious affiliation, but varied widely with regard to the level of pressure exerted on them by the recession and the nature of their adaptation. It is important to note that while two institutions remained operational during and

after the recession, one case institution in the current study ceased to exist in 2011 after succumbing to administrative and financial struggles. Understanding the most recent external environmental pressures on liberal arts colleges and the institutions' adaptations informed institutional practice and the historical perspective of liberal arts colleges in the United States.

Research Questions

To fulfill the current study's purpose, the following specific research questions guided the study.

1. What external environmental pressures influenced the liberal arts colleges during the Great Recession of 2007?
2. What adaptive strategies did the liberal arts colleges employ to respond to the external environmental pressures during the Great Recession of 2007?
3. How did the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007 affect their operations?
4. How did institutional constituents perceive the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007?

Definition of Terms

The key terms essential to the current study included the following:

For the purposes of the current study **adaptive strategies** were considered synonymous with "organizational adaptation," defined by Cameron (1984) as "modifications or alterations in the organization or its components in order to adjust to changes in the external environment" (p. 123).

An **economic recession** is an extended period of reduced economic production and heightened unemployment (Chabotar, 2009).

An **external environmental pressure** is a fluctuation in the exterior setting that disrupts the equilibrium or creates an “imbalanced condition” in the organization (Cameron, 1984, p. 123).

The **Great Recession of 2007** was labeled as the “deepest employment downturn since the end of World War II” and officially began in December of 2007 and ended in June of 2009 (Goodman and Mance, 2011, p. 9). The recession was particularly impactful because it included both a prolonged, weakened labor market combined with a sharp downturn in the financial market in 2008.

A **liberal arts college** refers to a higher education institution that awards at least half of its degrees in liberal arts disciplines (Carnegie Foundation for the Advancement of Teaching, 2001). In addition, it is typically residential, enrolls almost exclusively full-time students between 18 and 24 years old, limits enrollment to approximately 2,500 students, and offers approximately 20 majors (Breneman, 1994).

The **liberal arts disciplines** include the “English language and literature/letters; foreign languages and literatures; biological sciences or life sciences; mathematics; philosophy and religion; physical sciences; psychology; social sciences and history; visual and performing arts; area, ethnic, and cultural studies; liberal arts and sciences, general studies, and humanities; and multi or interdisciplinary studies” (Carnegie Foundation for the Advancement of Teaching, 2001, p. 12).

A **liberal education** is “an education that enlarges and disciplines the mind and makes it master of its own powers, irrespective of the particular business or profession one may follow

(“Liberal Education,” 2009).

Delimitations and Limitations

I necessarily imposed limitations on the scope of the current study in order to achieve the identified purpose. The current study was limited to three liberal arts colleges selected because of their institutional characteristics, their location, and their varied adaptation during the Great Recession of 2007. The case institutions included participants identified by either myself or by other participants in the study to be well-informed institutional constituents. Additionally, the data collection focused on external pressures and adaptive strategies and was limited to the most recent decade of changes and adjustments at each case institution.

Additionally, the nature of the current study’s research design inherently presented the following limitations, which were acknowledged and addressed throughout the research process. Because the study focused on three liberal arts colleges, the findings were not innately transferable to other types of institutions or other settings, but served to inform other institutions and practitioners about the adaptation of liberal arts colleges.

Additionally, the findings of the study were, in part, developed from the perceptions of participants, which created several limitations to the study. First, many of the current study’s participants were employees at the case institutions that were amidst change. Their perceptions and their statements were vulnerable to social desirability bias and limited disclosure. Next, interview time constraints limited the breadth and depth of topics I discussed with participants. Furthermore, due to geographic and schedule constraints, some participants’ interviews were conducted by phone, and one participant’s interview was not digitally recorded as a result of a device malfunction.

In terms of document collection, my data sources were limited to public information and the willingness of participants to provide me with important private historical documents. Document analysis was much more in-depth for the closed case institution than for the two operating institutions. Additionally, the documents participants at the operating case institutions provided to me were typically excerpted, limiting my ability to examine the document in its entirety or within its initial context.

Additionally, in terms of reporting findings, the current study did not specifically disclose the identity of each participant. Even more, the study specifically sought to protect the identity of participants by identifying participants only by their role and case institution, and at times, withholding the description of a participant associated with a direct quotation in the study's findings.

Theoretical Framework

Cameron (1984) defined organization adaptation as “modifications or alterations in the organization or its components in order to adjust to changes in the external environment” (p. 123). Organizational adaptation, conceptualized as an organization's response to a disruption in the external environment, differed from organizational development, which Cameron (1984) defined as planned change motivated from inside the organization. Cameron's (1984) research identified four, organizational adaptation theoretical frameworks, each located on a continuum and anchored by the level of importance each theory gave to the roles of the external environment and internal organizational factors. Cameron (1984) argued that higher education institutions in the postindustrial era, especially liberal arts colleges, were required to utilize all four approaches to navigate the increasingly complex pressures of the external environment.

Population Ecology Model

Cameron (1984) credited Aldrich (1979) with the conceptualization of the population ecology model of organizational adaptation, and identified it as the model that gave the most prominence to the role of the external environment in organizational adaptation. According to Cameron (1984), Aldrich's (1979) population ecology model attributed organizational survival to the natural evolutionary development of characteristics that fit the environment rather than internal action. Cameron (1984) argued that this model focused on population-level analysis of long-term changes affecting organizations.

Aldrich (1979) first conceptualized population ecology by extending the principles of the biological theory of natural selection to organization adaptation within their environments. The model accepted the premise that organizations' survival depended primarily on responding to external environmental pressures caused by the nature and distribution of resources. Organizations, operating under specific constraints that limit their actions and structures, aimed to support a niche in the environment, which was made up of a "distinct combination of resources and constraints that combine to support a specific organizational form" (p. 28). The organizational forms that met the specific environmental criteria of a niche were in turn selected to survive. Again, Aldrich's (1979) model focused on analysis at the population level, using organizational forms instead of individual organizations in the discussion, although the model defined organizations as systems loosely "coupled" that had the "capability of changing their activities and components" (p. 28).

The population ecology model, in an overarching sense, established the principle that organizations naturally moved towards alignment with their environment, regardless of whether this created a better or worse organization. The framework conceptualized a value-free analysis of organizational adaptation, explaining only that organizations survived by increasing their

fitness in their environment through a three-stage process of variation, selection, and retention (Aldrich, 1979).

Variation between and within organizations provided materials that allowed the environment to select organizational forms or structures that matched specific environmental criteria. Once selected, mechanisms retained the selected organizational form or structure to ensure its survival. This three-stage process –variation, selection, retention - often resulted in the creation of new organizational forms, elimination of old ones, or modification of current organizations, all with the aim of closer matching environmental criteria and needs (Aldrich, 1979).

Aldrich (1979) identified several types of variation between and within organizations. Variation, defined as the organizational response to a stimulus, was the provocation for selection. The model assumed that variation could be planned or unplanned and could come from within the organization (i.e. management, restructuring, growth), from the external environment (i.e. technology advances, change in social values), or could have existed between organizations, especially when new organizations were introduced or when existing organizations changed their structure. However, Aldrich (1979) argued that because organizations were heavily constrained, and the external environment pressures were so prevalent, many organizations were capable of only limited self-adaptation through strategic decision-making and were powerless against their environment. Instead, most variation was the result of external circumstances.

Regardless of the source of variation, variation provided the opportunity for selection to occur. Selection, which allowed organizations or aspects of organizations that met environmental criteria to survive and eliminated others, could occur in three ways: selection or elimination of a whole organization dependent on its ability to fit a niche, selection or elimination of specific

organizational structures or activities, and retention of organizational structures or activities within an organization over time. Aldrich's (1979) model indicated that some organizations were protected from the selection process by virtue of their position within an environment, such as government protections of schools, hospitals, and large corporations. In addition, Aldrich (1979) indicated that internal factors, such as high communication and cohesiveness, potentially protected an organization from the selection process.

In the model's final stage, selected organizational forms or structures were protected for long-term preservation. Successful retention occurred through clear communication of knowledge and records, standardization of an organization's beliefs, values, and structures, and power centralization. Aldrich (1979) also argued that retention was made stronger and variation weaker when organizations perceived variations as especially risky or costly or both.

Through these three stages – variation, selection and retention – organizations evolved and refined their operations to more closely match a specific niche dictated by the external environment. According to Aldrich (1979) and Cameron (1984), an organization's ability to evolve and become more environmentally fit ultimately determined its survivability. Consequently, this externally focused perspective highlighted meeting environmental needs as an organization's paramount concern.

Life Cycles Model

Cameron (1984) discussed the life cycles model framework of organizational adaptation as a model that, similar to the population ecology model, emphasized the evolutionary adaptation of organizations and the powerful role of the environment, but also acknowledged the internal power of an organization to change its course of evolution. In general, this group of models framed organizational adaptation as a four-stage process - entrepreneurial, collectivity,

formalization and control, and structure elaboration and adaptation - through which, without intervention, every organization moved. Movement through each stage depended on the organization ability to overcome specific environmental challenges. While these challenges were the same for all organizations, each organization determined its response and consequently the rate and way it moved through these stages. Cameron (1984) argued that two specific aspects made life cycles models less “deterministic” or automatic than the population ecology model (p. 127). First, organizations determined the speed of their overall development, and second, as organizations matured and traveled through all four stages, they could begin the four-stage process again as result of new environmental disruptions.

Quinn and Cameron (1983) reviewed nine life cycles models (Adizes, 1979; Downs, 1967; Greiner, 1972; Katz & Kahn, 1978; Kimberly, 1979; Lippitt & Schmidt, 1967; Lyden, 1975; Scott, 1971; Torbert, 1974) and provided a comprehensive framework for understanding organizational adaptation. All nine models suggested similar patterns of actions and strategies that predicted a specific track of development among organizations and their structures.

Quinn and Cameron (1983) identified these four life stages as the entrepreneurial stage, the collectivity stage, the formalization and control stage, and the structure elaboration and adaptation stage. The entrepreneurial stage characterized organizations that were focused on niche development and were highly informal and creative. During this stage, organizations engaged in early innovation and creativity and formed their niche. While little management existed during this stage, the organization was highly involved in sharing ideas and acquiring knowledge and resources. Quinn and Cameron’s (1983) entrepreneurial stage combined Adizes’s (1979) courtship stage, described as a stage when an organization’s members created vision;

Kimberly's (1979) first stage, described as a time of ideology development and resource acquisition; and Torbert's (1974) fantasies stage.

In Quinn and Cameron's (1983) collectivity stage, organizations focused on cultivating a high level of investment, commitment, and unity among its members. During this stage, information communication helped build rapport among members and the organization's mission and purpose were developed. Quinn and Cameron's (1983) collectivity stage encompassed Down's (1967) rapid growth stage, Greiner's (1972) creativity stage, Torbert's (1974) investment and determination stage, and Katz and Kahn's (1978) primitive system stage.

In the third stage identified by Quinn and Cameron (1983), the formalization and control stage, organizations focused on creating formal structures that solidified the norms and rules of the organization. As Quinn and Cameron (1983) described it, the organization was focused on stability and control, giving special attention to creating more efficient processes. This stage was also described by Down's (1967) deceleration stage, Lippitt and Schmitt's (1967) youth stage, Greiner's (1972) direction stage, Torbert's (1974) experiments stage, and Katz and Kahn's (1978) stable organization stage.

In the final structure elaboration and adaptation stage, Quinn and Cameron (1983) identified organizations focused on decentralization of processes and on adapting to create opportunities for additional growth. This stage reflected Lippitt and Schmidt's (1967) maturity stage; Greiner's (1972) delegation, coordination, and collaboration stages; Torbert's (1974) openly chosen structure, foundational community, and liberating disciplines stages; and Katz and Kahn's (1978) elaborative supportive structures stage.

While Quinn and Cameron's (1983) four-stage model assumed that all organizations moved through these stages, it did not frame stages in terms of time. At each stage, the

organization's perspective and understanding of the changes and its actions were contingent on how it perceived solutions to universal environmental challenges.

Resource Dependence Model

Cameron (1984) also identified the resource dependence model on the organizational adaptation continuum. The resource dependence model postulated that organizational factors rather than environmental pressures were the most prevalent factors affecting organizational adaptation. Both the resource dependence model and the symbolic action model, to be discussed in the following section, presumed that "organizations are not assumed to be at the mercy of an immutable environment; rather, they can act and influence their environment" (Cameron, 1984, p. 127). Cameron (1984) identified resource dependence model as one of several strategic choice models that contextualized organizational adaptation in its environment but structured it within the power of organizational action.

In the resource dependence model, Pfeffer and Salancik (1978) conceptualized organizational adaptation and survival as contingent on the organization's ability to secure and retain resources. According to this perspective, an organization acted within its environment and with other organizations to acquire resources and control the distribution of resources; this process created stress on the organization when excessive demand or limited supply of the resource increased competition. An organization's power was determined by its ability to secure resources and control resources that it or other organizations needed. And survival was determined by an organization's ability to operate in its environment and negotiate resource acquisition with other organizations. Consequently, organizations were principally focused on securing resources.

Since organizations depended on the environment for resources, an essential principle of the resource dependence model asserted that organizational behavior must be examined in the context of its environment. Even more, the model asserted that an organization's environment was not a singular objective experience; rather it was created through the organization's perception and interpretation of its surroundings and situation. In other words, an understanding of how the organization interacted and assigned meaning to its environment was important when examining organizational adaptation (Pfeffer and Salancik, 1978).

Just as an organization made evaluations about its environment, the external environment also evaluated the organization. Pfeffer and Salancik (1978) defined this external assessment of an organization's performance as meeting the demands of its environment as organizational effectiveness. By framing organizational effectiveness as an external judgment, Pfeffer and Salancik's (1978) resource dependence model made the question of organizational effectiveness a "sociopolitical question" and "both an assessment of the usefulness of what is being done and of the resources that are being consumed by the organization" (p. 11).

An organization's capabilities to secure resources, maintain control over its actions, and achieve organizational effectiveness were impacted by several external environmental realities in this model. First, organizations operated under specific constraints, which restricted an organization's range of possible behaviors and potentially inhibited its ability to adapt. Constraints included "physical realities, social influence, information and cognitive capacity, or personal preference" (Pfeffer & Salancik, 1978, p. 15). Organizational constraints helped explain the limited variation between organizations. Since virtually every organization was constrained, only incremental adaptive measures were typically implemented, resulting in limited variation.

Another factor influencing organizational adaptation was an organization's level of interdependency with other organizations. Interdependency occurred when an organization was not fully independently capable of obtaining its resources. Interdependency was symbiotic, which created benefits for both organizations simultaneously; or competitive, which created a benefit for one organization at the expense of another; or both symbiotic and competitive. Interdependency was either equal or unequal. Similarly, an organization's level of dependence was a consequence of the control and discretion it had over resources and the level of importance of those resources to the organization. As a result, dependent organizations were often strongly influenced by other organizations that controlled the resources they needed. Control of resources was defined by actual possession, discretion over allocation or use, or by authority to regulate access to or use of the resource (Pfeffer & Salancik, 1978).

As part of the resource dependence model, Pfeffer and Salancik (1978) listed several conditions that outlined an organization's likelihood to "comply with control attempts" (p. 44). An organization was more likely to comply with a demand if one or more of the following conditions were true: the organization understood the demand, the organization received a resource from the demander, the resource the organization received from the demander was critical to the organization's operation and alternative resources were not available, the organization did not control its own resources, the demander's attempts to control the organization did not conflict with other organizational demands, and the organization sought to survive. An organization's dependence on specific resources and interactions with other organizations that exhibited different levels of power and control dictated its level of dependency and affected its ability to secure and sustain resources, which was a key to survival (Pfeffer & Salancik, 1978).

In addition to these external realities, the resource dependence model of organizational adaptation gave a significant focus to the power of managerial and internal organizational action. Pfeffer and Salancik (1978) argued, “constraints are not predestined or irreversible” (p. 18). In fact, they argued that many of these constraints were the result of past decision-making, which suggested that the context of an organization was often defined by the organization itself. Managers were tasked with making sense of this context and acting to shape it while also managing internal decisions about organizational interests, information, dependences, and constraints. Ultimately, these decisions aimed toward legitimizing the organization in the external context by balancing a desire for total organizational control and reducing the unpredictability of securing resources.

More specifically, Pfeffer and Salancik (1978) identified the managerial role of an organization as a prime factor contributing to an organization’s ability to secure resources and maintain control in its environment. Pfeffer and Salancik (1978) listed three roles of a manager in organization: symbolic, responsive, and discretionary. The symbolic role of a manager was fulfilled when a manager served as a symbol for the organization and personalized its purpose and activity. A symbolic role of a manager had a significant effect when the symbolism created increased members’ perceptions of control and organizational stability. Second, the responsive role of a manager was satisfied when a manager successfully aligned the organization’s activities and structures with the demands and needs of the external environment. And finally, the discretionary role of a manager was fulfilled when the manager extended his or her responsive role, and not only responded, but also altered the environmental context in which it existed to better fit the activities and structures of the organization. Pfeffer and Salancik (1978) acknowledged that an organization’s size was an important factor when considering how much

the last managerial role would actually affect organizational adaptation. In a general sense, these three roles were not mutually exclusive; rather, managers were often required to fulfill all three roles interchangeably to maintain a successful organization.

Symbolic Action Model

Finally, Cameron (1984) identified the symbolic action model as the model that most highlighted internal organizational factors as the prevalent factors affecting organizational adaptation. The model, as presented by Pfeffer (1981), was based on a cognitive approach that presumed an organization's reality was socially constructed. The model centralized the role of generating, upholding, and in some cases, changing, shared meanings as the primary mechanism for organizational adaptation. With this assumption, the critical task for organizations was to create shared meanings and organizational identity through symbolic actions, which included language, rituals, and culture. By creating shared meaning, organizational leadership justified and explained organization activity among its members, which increased commitment and participation. In addition, by creating shared meaning that aligned with the wider social values and expectations, organizational leadership legitimized the organization in the wider external environment. Consequently, the symbolic action model assumed the premise that organizations ensured their survival by creating consensus of shared meaning and reconciling it when it interacted and competed with the other organizations and their shared meanings (Cameron, 1984).

The model also accepted the premise that organizations were made up of individuals who maintained a set of values and expectations and who had a need to understand the world around them. Further, individuals sought to establish stability and predictability through their actions, which gave them a sense of power and motivated them to contribute to and act in the system.

The model also accepted that individuals understand that certain constraints on the organization will inhibit certain action, but that individuals sought to limit constraints. As a result of these premises, organizations were more than just their resources or constraints; they were systems of shared meanings that explained their resources and constraints to their internal members and external contexts. Thus, they had the power to adapt to their environment and shape it (Cameron, 1984).

The symbolic action model differed from strategic action models because it contended that meaning was more relevant than specific action. In fact, Pfeffer (1981) argued, “actions themselves are principally the result of fundamental resource interdependencies and other environment imperatives confronting the organizations” (p. 5). These relationships largely, although not exclusively, predicted action. However, the significant power of effect lied with symbolic actions that assigned value and meaning to the actions themselves. These symbolic actions communicated critical information to internal members and external constituencies who assigned meaning to the organization and influenced its survival through their commitment and investment.

In summary, Cameron (1984) added that the symbolic action model assumed that each organization, as a prerequisite of survival had, “an interest in seeing its definition of reality accepted in to the larger social context” (p. 26). By using strategies of adaptation that included assigning meaning to historical events, using rituals, creating or modifying physical space, and coining simple phrases that demonstrated overarching values and principles, organizational leadership guided internal members and external constituents to reach consensus on an organization’s identity and purpose, accepting it into the environment and working to preserve its existence.

Cameron (1984) argued that all four approaches were necessary for institutions to achieve a level of adaptation that meets the future demands of the external environment, driven mainly by economic and sociopolitical forces. The population ecology approach, which acknowledged the pervasiveness of the environment on the organization, demonstrated the critical need for institution to be attuned to the needs of the environment. The life cycles model outlined a general path of evolutionary development for the organization and provided a framework for organizational planning. This model also allowed for discretion regarding how organizations responded to the environmental precipitators at each stage. The resource dependence model and other strategic choice approaches, still acknowledged the pervasiveness of the environment, but highlighted the organizational power to adapt through using information to make deliberate choices about its structures and actions. And finally, the symbolic action approach, guided organizations to focus specifically on the shared meaning attached to organizational action and structure as a key strategy for survival.

Cybernetics Model

In addition to Cameron's (1984) four models of organizational adaptation, Birnbaum (1988) applied organizational adaptation models to university and college operations and created a more theoretical-practical hybrid guide to organizational adaptation. His work aimed at aiding administrators and leaders in thinking deeper and more diversely about their organizations and how to improve their institutions and their organizational performance.

In a general sense, he argued that any kind of social system were largely "symbolic" and "exist because we believe in them" (Birnbaum, 1988, p. 1). Echoing Cameron's (1984) premise of shared meaning in the symbolic action model, Birnbaum (1988) established that "the important thing about colleges and universities is not the choices that administrators are

presumed to make but the agreement people reach about the nature of reality” (Birnbaum, 1988, p. 2). He furthered this argument by examining the dualism of control and power in higher education and the multiplicity of institutional missions as universities and colleges become more “diverse, fragmented, specialized, and connected with other social systems.” He said, “the problem is not that institutions cannot identify their goal but rather they simultaneously embrace a large number of conflicting goals” (Birnbaum, 1988, p. 11). Within this context of dualism of authority and unclear goals, he argued that leadership was even more difficult in higher education settings than in other organizational and business settings.

To further illuminate the study of organizational adaptation within higher education, Birnbaum (1988) integrated several models in his review and suggested that universities and colleges address organizational adaptation as “cybernetic organizations” (p. 177). In short, he said that organizations responded to criticism and regulated themselves through “self-correcting mechanisms that monitor organizational functions and provide attention cues, or negative feedback, to participants when things are not going well” (p. 179). Self-correction was dependent on organizations’ views of themselves and their reality. Within the organizations, groups established rules, or constraints, for each other and subsystems created protocols that standardized operations. Additionally, organizational members prioritized these constraints and standards, which essentially defined an organization’s goals and activities. For Birnbaum (1988), this process was a zero-sum game, with the importance of one goal essentially limiting the focus of another.

In terms of adaptation and change, Birnbaum (1988) argued that when factors within organizations reached objectionable levels, subunits sought solutions, and if a particular solution worked, the organization retained the strategy. However, like the population ecology model,

Birnbaum (1988) acknowledged that an organization's stability was largely dependent on its established norms, making change quite difficult to implement.

Additionally, changes to subunits often created reverberating, and often unintended, effects for other subunits. Birnbaum (1988) defined the degree to which a change in one subunit directly affected another subunit as the level of coupling – “tight” or “loose” (p. 35). Coupling depended on both the degree to which subunits had common variables and the degree to which those variables were important to the subunit. Birnbaum (1988) described benefits and drawbacks for both types of coupling. More specifically, loosely coupled organizations allowed for more decentralized and independent subunits with more focused operations, which potentially allowed organizations to be more responsive to the external environment, while tightly coupled organizations were setup to be more efficient and maintained a higher level of shared meaning. Further, in relation to environmental changes, Birnbaum (1988) predicted that “a major change in any subsystem, or in the environment, can be expected to have a marked effect on any other subsystem to which is relatively tightly coupled and a weaker or less predictable effect if there is loose coupling” (p. 41).

Finally, Birnbaum (1988) defined effective leadership in cybernetic organizations as leaders who closely monitored and corrected institutional operations in an ongoing process and facilitated “subtle interventions, rather than engage[d] in dramatic attempts to radically change institutional functioning” (p. 197). However, he provided two exceptions that called for a more commanding approach; first, if the institution experienced a sudden disruption caused by the external environment, or second, if the organization did not maintain an acceptable level of performance and no established subunit could fix it (Birnbaum, 1988, p. 198). Still, Birnbaum (1988) reiterated, “administrators must be careful not to overcorrect” (p. 199).

Chapter Summary

Liberal arts colleges, America's longest existing education institutions, faced new environmental pressures in the twenty-first century that challenged their niche, their mission, their operations, and their survival. College constituencies sought to employ adaptive strategies that allowed these institutions to respond to the environmental pressures caused or exacerbated by the changing economy and the Great Recession of 2007 while also allowing the institutions to maintain its identity and operations. The current study's purpose was to understand how private liberal arts colleges adapted during the Great Recession of 2007 by examining institutional changes at three private liberal arts colleges and their effects on the institutions' operations. The study gave specific attention to liberal arts colleges located in the southeastern region of the United States. By framing this examination within the broader liberal arts college historical context and by applying the theoretical frameworks outlined by Cameron (1984) and Birnbaum (1988) in this chapter, the current study intended to provide new insight into the organizational adaptation of these institutions.

CHAPTER II

REVIEW OF THE LITERATURE

The breadth and depth of scholarly research relevant to the current study indicated the significance of the research topic. A thorough review of the most prevalent literature in the field served to inform the current study's purpose. In order to ensure a methodical analysis and concise presentation of the research, the following chapter is organized into several subsections that highlight the themes within liberal arts college research that were pertinent to the current study. The review begins with a historical overview of liberal arts colleges and their declining trends during the last century; continues with an examination of challenges that these institutions faced, including financial, operational, perceptual, and demand obstacles; and concludes with a review of adaptive strategies employed by liberal arts colleges, which emphasized the role of identity and mission, religion, external factors, and internal leadership in organizational adaptation.

I located the sources used in Chapter II by accessing several online academic databases - Ebsco Academic Premier, Journal Storage, ProQuest Direct, and Education Resources Information Center - through the University of Arkansas Libraries' website. The initial database search used the following search terms: (liberal education) AND (adapta*) OR (surviv*) AND (higher education), and was limited to peer-reviewed articles. Additionally, I conducted a broader search using the following search terms: (humanistic education) AND (higher education), also limited to peer-reviewed articles. I reviewed all article abstracts for relevance to the study, which I alone determined. In addition to these database searches, I conducted a University of Arkansas Libraries catalog search, using the search term (liberal arts). Again, I determined the relevance of each source based on a review of its abstract and table of contents.

Finally, I followed source leads discovered through reading citations and reference lists of initially secured sources.

A Brief History of the Small, Private Liberal Arts College

Higher education in the United States began with the establishment of the American liberal arts college. For nearly 200 years following the opening of Harvard College in 1636, America's first educational institution, the country embraced liberal arts education as *the* education model for its society. And even later, when new institutional types and educational approaches emerged in the 19th century, liberal arts remained an American ornament. Today, many researchers have argued that liberal arts colleges are models for all of education and that the education they provide is essential for the nation to maintain an economic edge and a democratic society (AACU, 2007; Hersh, 1999). Still, the rapid advancement of America's economy has challenged America's liberal arts college to keep itself relevant, requiring it to constantly adapt and remold itself to meet societal needs while striving to uphold its mission and purpose. Era after era, these colleges have attempted to provide education measured on intellectual growth and development of moral principle with subordinated regard for cultivating economic power or mobility.

Schmidt's (1957) book, *The Liberal Arts College*, recounted the birth of the liberal learning tradition that began with the October 28, 1636 Massachusetts Bay Colony court ruling that allocated funds towards a college for its people. Most of Harvard's founders were educated at Cambridge in England, an institution that embraced the English liberal arts tradition, which focused on Puritan teaching in a residential learning community geared towards clergy education. Though the colonists closely identified with this tradition, they also had an understanding of other European approaches to education, among them, the ancient Roman and

Greek elitist tradition of classics study and the European university traditions. Together, their understanding of these approaches along with their aspirations for a new and free society created a distinctive vision among America's leaders, something wholly new and different (Schmidt, 1957).

Thelin's (2004) account outlined the new parameters colonists set for Harvard and many other succeeding institutions, including the self-governing and independent college unit, which was much different from England's approach that required colleges to depend on a university charter's authority. Early American leaders also formed an external board to govern the institution rather than following the English approach that gave the faculty ruling power. Finally, instead of upholding the European principles of the university and specialized study, the American curriculum focused on residential, liberal learning. This new form of education was indeed uniquely American. As Thelin (2004) wrote, "...the American colleges of the colonial era were remarkable and complex, a hybrid of legacies, transplants, deliberate plans, and unintended adaptations" (p. 11). Harvard, the first American college, connected the old and the new, and allowed colonists to retain tradition while establishing its own approach to education. For more than 60 years, Harvard operated as America's first and only higher education institution.

Eventually Yale and the College of William and Mary were established at the turn of the 18th century followed by College of Philadelphia, the College of New Jersey, King's College, the College of Rhode Island, Queen's College, and Dartmouth College. Thelin (2004) described these early colonial colleges as institutions with a dependency on both public and private funding sources, low-paid faculty who served several functions, small enrollments made up of elitist students, and flexible admissions and retention expectations. The colonial commitment to funding education was sincere but lacking; taxes and subsidies helped fund operations, but they

were very modest, especially when compared to European education appropriations. Consequently, tuition and donations played a much larger role for the American institution, introducing new challenges to this distinctive educational model (Thelin, 2004). In addition, though many early colleges were established by Protestant denominations that were motivated to settle colleges as a mechanism for charity and to earn God's favor, churches were rarely able to promise sustainable funding. Instead, they maintained an administrative commitment to low tuition and provided financial aid for poor and high-achieving students (Thelin, 2004). Early curriculum was broad-based and included oratory and debate and a focus on classics, science, and Christian virtue. Students engaged in discussions and debates with mentors inside and outside the college creating an ongoing learning experience (Thelin, 2004). And finally, with no formal primary or secondary education system in early America, admissions requirements to these colleges were flexible with little emphasis given to completing degree programs, even though graduation was one of the colony's most noteworthy events.

By the mid-1750s, the reputation of the college temporarily lost its relevance and became known as distant and elite, taking on a more secularized reputation. But by 1770, republicanism and political rhetoric became popular to American life and central to the American college, making liberal arts relevant once again. As Thelin (2004) wrote, college was viewed in this era as an "insurance policy" for society, working to educate a reserve of leaders who could think, read, and write well (p. 26). Thelin (2004) argued that it proved to be a successful approach; numerous Harvard graduates helped lead the American Revolution.

Schmidt (1957) suggested that colleges did not become full-fledged universities during this time because they lacked the resources to do so; others argued it was a decision made on the basis of tradition and educational philosophy. Whatever the case, for more than 100 years,

American education embraced a liberal arts college tradition. And while the colleges' impact was limited, serving a very small percentage of the population, Rudolph (1990) claimed that they provided an important stabilizing factor, creating "a sense of unity" where "there might otherwise be aimlessness and uncontrolled diversity" (p. 13).

Following the American Revolution, the number, types, enrollments, and impact of colleges grew significantly. Social and economic advances, increase in church and piety, little regulation, and a culture characterized by growth and progress encouraged the founding of new colleges nationwide. The new national government had no money and was in no position to dictate a centralized education plan so it left the structure and management of higher education up to state and local communities. In the spirit of a young and brave country riding on the winds of newly found freedom, communities established colleges with great energy, but without a centralized, consistent, controlled approach (Schmidt, 1957).

While these institutions widely varied, they did share a few common characteristics. It seemed as if financial authority and decision-making responsibilities belonged both to everyone and to no one at these institutions. Colleges, though chartered by communities, operated as a private-public hybrid that depended on business, government and politicians, churches, alumni, trustees, and individual households to make ends meet. And when any of these stakeholders invested in the college, their investment usually came with the expectation of having a voice at the table, which often complicated the college's mission and operations. The formal establishment of the board of trustees served to meet these expectations and keep the community invested in colleges nationwide (Schmidt, 1957).

Churches also played an important role in the establishment and growth of dozens of institutions in the 1800s. The church's interest in founding colleges dated back to the

Reformation when education was seen as a way to secure members, promote social justice, and promote denominational community presence. The church influenced institutions in many ways - ministers often served as administrative leaders, many charters were church-affiliated, and as late as 1850, a quarter of many prestigious institutions' alumni went into the ministry (Schmidt, 1957). Some institutions, like Yale, were even founded by one denomination to ensure that another denomination did not corrupt young minds at a neighboring institution. And finally, the degree to which colleges mandated religious practice on campus varied and was usually a consequence of the era's social and political mood. For instance, during the Great Awakening, the bible was the most important book in the academic curriculum, but in pre- and post-Revolutionary times, patriotism trumped piety, and by the early 19th century, secularism led to a permanent shift in the college that limited institutional religious practice (Schmidt, 1957).

Theelin's (2004) account of the "college-building era" described the enormity of growth during this period (p. 41). Schmidt (1957) also noted that higher education was a microcosm of the larger society, expanding rapidly with a great sense of optimism. The number of institutions grew from 11 in 1790 to 240 in 1869. Perhaps to the detriment of the traditional American liberal arts college, the era saw a significant diversification of institutional types that included hilltop colleges, denominational colleges, technical and professional schools, and the military and naval academies. This proliferation of higher education was seen as a mechanism for achieving a vision of increased access to college. As the president of Amherst noted early in the 19th century, these colleges were meant to create a place where "the rich and poor not only meet together, but they commence their intellectual struggle under the full knowledge of the fact that no hereditary dignity or interested wealth... can entitle to special privileges and honors, nor repress the aspirations of genius" (Schmidt, 1957, p. 18).

It is worth noting, that historians debated the sustainability of this era's growth. Schmidt (1957) characterized this era as one with high mortality rates. He reported that half of the institutions that opened between 1770 and 1860 eventually failed. Burke (1982) and McLachlan (1978), on the other hand, both disputed the findings, citing research that indicated an institutional survival rate of approximately 80%. Thelin (2004) argued that these small colleges were resilient and adaptable and that the hype of the 1950s and 1960s surrounding the decline of liberal arts colleges colored Schmidt's (1957) and others' findings. In either case, one thing is not debated: this expansion era of American higher education increased competition for small, private liberal arts colleges nationwide. Newly established institutions, embedded in communities nationwide, took on distinct identities that led to the great diversification of higher education institutional type and approach.

With more diverse approaches to higher education and a changing economic landscape, conversations about educational purpose and curriculum reform became a major debate in the early 1800s. As a result, a document produced by the Yale Corporation in 1828 that assessed the curriculum of the college for which they held the charter, Yale College, articulated their case for retaining a liberal arts curriculum. The report was credited with maintaining liberal arts education dominance for another 30 years, and today is revered as one of the most significant historical documents in the history of American higher education (Pak, 2008; Rudolph, 1990; Schmidt, 1957).

Liberal educators, at least those who contributed to the Yale Report (1828), asserted that professional education was only a partial education and was not meant to be the focus of higher education. Instead, higher education's purpose was to focus on the areas of study not learned elsewhere, on teaching students the process of learning, and on principles that were common to

all professions and to life. They argued that while education was not focused on preparing students for professional careers it was completely useful to any professional career. Learning the underlying laws of life, the theories of man, and the craft of communicating were essential to everyone. In addition, the report reaffirmed the belief that higher education should be accessible by more than the privileged few and that specialized education is a noble venture for those who seek education beyond four years of college (Yale Report, 1828).

While the Yale Report (1828) reinforced the principles of liberal arts education, the middle and late 19th century marked a phase of transition away from liberal education in American education. The 1862 and 1890 Morrill Acts, which established and funded state land grant institutions for the purpose of expanding agriculture and mechanical arts, demonstrated a new national priority (Rudolph, 1990). In 1885, Charles William Eliot, then-president of Harvard University, advocated for student choice in curriculum decisions, coining the popular term “elective” (The Elective System, 1885). And finally, the American university movement began with the opening of Cornell University in 1869 and Johns Hopkins University in 1876. These bigger and more complex institutions of learning focused on providing an array of majors and courses, graduate education and professional schools, practical knowledge in science, and more and better facilities. These developments shifted the trajectory of higher education towards an increased focus on vocationalism and practical application (Thelin, 2004). For the first time in a century, the traditional American liberal arts college was challenged. Schmidt (1957) described this change as a time when “American opinion and money would no longer support one brand of higher education” (p. 58).

The birth of the 20th century swung the pendulum toward the university, as it became the dominant institution in the higher education world. Schmidt (1957) pointed to a continued

sophistication of the economy as well as movement towards secularism and anti-intellectualism as the forces behind the pendulum swing. In addition, enrollment grew 4 times as fast as the nation's population growth rate between 1879 and 1910 (Schmidt, 1957). With more students and more money, institutions expanded. With established public schools and graduate schools, admissions to universities and colleges became more standardized and so did the procedures and policies that governed academics and faculty, which formalized academic freedom, credit hours, and course catalogs. Universities placed special emphasis on developing graduate and professional education, enhancing student services and facilities, increasing major offerings, and eliminating traditions of mandated study time and mealtime, which created more time for extracurricular activities. At colleges, religiosity and *in loco parentis* were tamed, and the president's role became more externally focused and less of a multipurpose internal headmaster. Schmidt (1957) described this trend as an "expansion of size, standardization of practices, diversification of functions, and multiplication of extracurricular activities" (p. 182). And while the liberal arts and vocational curriculum debate was re-popularized in historically black colleges and universities by Booker T. Washington and W.E.B Dubois, the conversation did not continue with the same zeal it had earlier in the century. Many simply believed that the private, small liberal arts college would not survive (Schmidt, 1957).

Leslie (2011) also elaborated on university expansion and professionalized education in the late 1800s, providing somewhat of a different perspective. She argued that as medical and law schools in America standardized practices during this era, students moved away from apprenticeships and proprietary education and towards a liberal arts education that mixed intellectual variety in the first two years with specialization in the last two. By the 1900s, graduate schools required or at least strongly suggested that students attain an undergraduate

degree before admission. Leslie (2011) argued that this shift took place both because colleges, and particularly liberal arts education, had a favorable reputation at the time, and scientific advances created a new respect for scientific expertise and licensing. In short, going to college had become a rite of passage. Similarly, by 1900, most seminaries required at least a year of college with almost half requiring degree. By 1915, 80% of seminaries listed one year of college or more as an admission requirement (Leslie, 2011). By World War I, college science or a bachelor's degree was required for some medical schools. Finally, by 1940, most law schools had also come into line with this approach.

But Rudolph (1990) pointed to the World War I and World War II eras as uncertain times for higher education. The market collapsed, enrollments were inconsistent, and the youth were critical of the world, as they knew it. It appeared that higher education lost its direction, a critical view that allowed new ideas to be considered more than times before. John Dewey's theoretical framework for experiential learning was finally given attention during this period. In an unpredictable world, education that linked to experience and the wider society made sense to many. Dewey's (1921) work, *Democracy and Education*, encouraged the development of interdisciplinary studies such as American Civilization and American Studies that investigated the interconnectedness of human society. Rudolph (1990) wrote about this era and argued that, for the first time, higher education took note that "the world lay in chaos perhaps exactly because there were too many specialists, too many scientists, too many engineers, and not enough men prepared to think widely and wisely, prepared to consider subtleties, connections, the whole fabric of emotions, institutions, decisions, values, and traditions that defined the modern man" (p. 470).

Beginning in the 1920s and continuing throughout World War II, America committed itself to making education a social and financial mobility resource for the majority of Americans. This commitment, along with a public attraction to the charm of college and increased wealth in America, helped establish growing enrollments in higher education. Enrollment climbed from 5% to 15% between 1917 and 1937 (Thelin, 2004). More notably, the most dramatic era of growth came after World War II with the implementation of several federal policies that together democratized higher education. The Serviceman's Readjustment Act, signed by President Roosevelt in 1944, helped the nation shift from wartime to peacetime by providing veterans and their families with employment and educational opportunity. As part of the plan, veterans were entitled to attend college using government aid; an entitlement that more than 7 million veterans embraced. The legislation benefited higher education by opening the doors wider and eliminating the perception and reality that college was meant for the wealthy, but it also created great challenges for the institutions. Many universities doubled their enrollment within three years, creating enormous financial and facility pressure. In addition, government aid was directed primarily towards vocationally-focused programs causing curriculum priorities to be largely determined by the government and its funding (Thelin, 2004).

Additionally, the President's Commission Report 1947 – Higher Education for Democracy (1947), released at the direction of President Truman, provided an outline of higher education's broadest objectives and most difficult challenges during this time period as evaluated by a specially appointed presidential panel of educators and national leaders. The report remains one of the most influential documents in higher education in the 20th century and served to increase the role of the federal government in higher education (President's Commission Report 1947 - Higher Education for Democracy, 1947).

Heralding the advancement of democracy as the chief role of education, the commission highlighted, first and foremost, the institution's social role in preparing citizens for participation in American government. This social role included two paramount responsibilities: first, the report boldly stated that higher education should be made available to everyone and that removing barriers that deny access should be a priority, and second, the report addressed the responsibility for higher education to keep up with the current needs and rapid changes of the country and ensure that education remained applicable to the average American citizen (President's Commission Report 1947 - Higher Education for Democracy, 1947).

As the report forecasted, the 1950s, 1960s, and 1970s were decades of enormous growth in higher education; enrollments skyrocketed from 2 million students in 1945 to 11 million students in 1975 (Thelin, 2004). The number of community colleges tripled from 1950 to 1970, and by the 1980s, two-year colleges accounted for 40% of college enrollments (Reuben & Perkins, 2007). In addition to the Serviceman's Readjustment Act and the President's Commission Report, the federal government made sweeping changes to higher education characterized by equal opportunity legislation including the 1964 Civil Rights Act; the 1965 Higher Education Act; the establishment of Pell Grants; the enacting of Title IX, which banned federal funding from schools that practiced discrimination on the basis of race or sex; and United States Supreme Court rulings that upheld affirmative action in admissions policies (Reuben & Perkins, 2007). The "more than forty-fold" increase in state expenditures for higher education during the three decades after the report's release further indicated that, at least for a time, the federal and state government acknowledged their responsibility to fund these democratic aims of education (Reuben & Perkins, 2007, p. 269).

Breneman (1994) stated that the second half of the 20th century was one of the most shaping eras in history for higher education, especially for liberal arts colleges. The 1960s golden years of higher education saw institutions nationwide experience significant growth in enrollment, revenue, and expenditures, and even many small and private liberal arts colleges operated with a surplus. However, the landscape drastically changed within a few short years. Enrollments dropped as a result of baby boomers entering the workforce and exiting higher education; both the number and types of institutions grew with many larger institutions establishing small honors colleges that mimicked private liberal arts colleges and creating new competition; and even though revenue dropped with enrollments, expenditures remained at a consistently high level. In short, costs continued to rise and tuition, the primary revenue generator at liberal arts colleges, hit a ceiling marked by what the prospective student was willing or able to pay. To make matters worse, the economy stuttered, inflation hit double-digits, unemployment rose, and energy costs increased. Quickly, schools found themselves operating in the red. These challenges had an especially dire effect on liberal arts colleges. Private liberal arts colleges' budgets depended primarily on tuition dollars, which decreased significantly when enrollment dropped and endowments suffered. As a result, private colleges provided more institutional aid to students to encourage them to enroll, which further increased budget expenditures (Breneman, 1994).

Similarly, Thelin (2004) described the 1970s as an era in higher education characterized by a decline in confidence, lack of planning, inconclusive findings about the nature and condition of higher education, overextended budgets, proliferation of programming, declining enrollments due to demographic shifts, increased federal oversight, decreased federal aid, stagflation, and a loss of instructional distinction resulting from institutions trying to be all things to all people.

There was a noticeable shift in student demand with many flocking to professional and vocational programs and perceiving a college education as a career preparation credential. In short, though American higher education was more expansive and accessible than ever, it was also a “troubled giant” (Thelin, 2004, p. 318). By 1971, the Carnegie Foundation for the Advancement of Teaching labeled this new era, the “new depression of higher education” characterized by a new phenomenon: “the cost-income squeeze” (Cheit, 1971, p. 1).

With the help of strong fiscal policies and the 1972 Education Amendments that expanded student aid through Pell Grants, work-study, and federal student loans, higher education experienced a renewed energy and small liberal arts colleges were given an extra boost. In addition, enrollment projections did not drop as significantly as originally believed. In fact, they eventually rebounded during the 1980s creating additional revenue. Though enrollment increases in private liberal arts colleges were modest at best, public institutions were forced to raise tuition as a result of decreased state appropriations, which made private education more competitive. And overall, the value of the college degree increased dramatically between 1970 and 1986 (Breneman, 1994). As a result of the turbulent economy and the unpredictability of other revenue sources, higher education grew its marketing and fundraising practices during this era and focused on honing in on its niche. For private liberal arts colleges, most revenue areas - endowments, private giving, and tuition - all increased during this decade. However, researchers noted the increased role of the federal government in education, even private education, as the one major tradeoff for all the progress during this decade.

A Historical Decline in Liberal Arts Colleges

Against this backdrop of American higher education history, researchers noted the decline in liberal arts education throughout the 20th and twenty-first centuries, both in enrollment

numbers and percentages as well as in numbers of small, private liberal arts colleges. Specifically, Zammuto (1985) and Breneman (1994) examined trends in liberal arts colleges' survivability, including institutional rates of decline and transition.

First, Zammuto's (1985) study investigated the question: "Are the liberal arts endangered?" After several years of financial and enrollment challenges, Zammuto's (1985) study assessed if liberal arts colleges were surviving. Using two separate institutional data sets, one from 1970-71 (2,881 institutions) and one from 1980-1981 (3,266 institutions), Zammuto (1985) divided institutions into one of three categories: liberal arts institutions, categorized by awarding 80% or more of their degrees in liberal arts; comprehensive institutions, categorized by awarding between 21% and 79% of their degrees in liberal arts; or professional institutions, categorized by awarding 20% or less of their degrees in liberal arts. While Zammuto (1985) acknowledged that the selected parameters were arbitrary, research indicated that changing these parameters by 5% or 10% did not significantly change the results. In addition to program emphasis, Zammuto (1985) classified institutions by institutional control (public or private), levels of highest degree offered (two-year, bachelors, or graduate), and enrollment size (small, 1000 or less; medium, between 1001 and 2500; or large, 2500 or more).

Zammuto's (1985) findings indicated that the most significant growth during the 1970s occurred in professional institutions; these institutions increased from 25.6% in 1970-1971 to 37.2% in 1980-1981 while the number of liberal arts colleges decreased from 18.9% to 10.5%. Also during this period, more liberal arts colleges merged, closed, or transitioned to professional schools than new liberal arts colleges opened, leading Zammuto (1985) to conclude that the decade was characterized by an overall attrition of liberal arts institutions. Of the 507 institutions Zammuto (1985) classified as liberal arts institutions in 1970-1971, 37 transitioned into a

different program emphasis while 69 failed, which was defined as “closure, merger with another institution, or by no longer meeting the criteria for inclusion by the Higher Education General Information Survey (HEGIS) Universe,” by 1980-1981.

While this was obviously meaningful to the liberal arts sector of higher education, Zammuto (1985) argued that the decrease in presence of liberal arts colleges also affected all of higher education. Zammuto (1985) argued that a diversity of institutional types in higher education protected the entire sector against failure in turbulent times of decline. In short, diversity was insurance, and in this case, the more evenly institutions were dispersed over possible institutional types, the more balanced, the more diverse, the stronger the overall system was, especially when the external environment threatened operations. To further analyze the diversity of the field, Zammuto (1985) used his classification system based on percentage of liberal arts degrees awarded, institutional control, levels of highest degree offered, and enrollment size; and identified 108 possible institutional types, 36 of which were classified as liberal arts institutions.

Zammuto’s (1985) examination of the frequency distributions of these institutional types led him to conclude that, both in terms of all higher education institutions and specifically for liberal arts institutions, there was an unequal distribution of institutional types and limited diversity in the system. In both data sets, one from 1970-71 and one from 1980-1981, approximately half of all liberal arts institutions were clustered in three of its 36 institutional types and approximately half of all higher education institutions were clustered in nine of the total 108 institutional types. While Zammuto (1985) argued that the distribution of liberal arts colleges remained relatively stable between 1970 and 1980, indicating that liberal arts colleges were not dying at an alarming rate, he also argued that the limited diversity of the entire higher

education system presented a threat to the sector. Zammuto (1985) argued that diversifying higher education increased the overall resilience of the entire higher education field. Thus, the entire system was better off for it if it protected and preserved liberal arts institutions.

Ten years after Zammuto's (1985) study, Breneman (1994) gave special attention to the survivability of small, private liberal arts colleges during the second half of the 20th century in his widely cited work, *Liberal Arts Colleges: Thriving, Surviving, Endangered?*. Breneman (1994) examined the popular perception that liberal arts colleges were dying and, over time, would be eliminated at a faster rate than other types of institutions due to their increased financial pressures and limited market. His comprehensive work was the first of its kind. Using data from College Board, National Center for Higher Education Management Systems, Williams Project on the Economics of Higher Education, Carnegie Foundation for the Advancement of Teaching's classification system, and 12 liberal arts college on-site visits, Breneman (1994) sought to detect trends in liberal arts colleges and their adaptability during significant market fluctuation.

Breneman (1994) first examined the 1987 Carnegie Foundation for the Advancement of Teaching's list of classified liberal arts colleges, which included two subcategories. Liberal Arts I colleges were generally highly selective institutions that awarded primarily undergraduate degrees with more than half of them in arts and sciences, and Liberal Arts II colleges were generally less selective colleges that awarded primarily undergraduate degrees with less than half of these degrees in arts and sciences. Breneman (1994) argued that genuine liberal arts colleges should award no less than 40% of their degrees in liberal arts fields, and in the first phase of his study, imposed this restriction on the list of 540 Carnegie Foundation for the Advancement of Teaching-classified liberal arts institutions.

Of these 540 institutions, Breneman (1994) found that 314 Liberal Arts II colleges and five Liberal Arts I colleges did not meet the 40% liberal arts degree conferment restriction. Additionally, he found that Carnegie Foundation for the Advancement of Teaching-classified Liberal Arts I colleges' professional degree conferment had increased from 11% to 24% between 1972 to 1988 while Liberal Arts II colleges increased their professional degree conferment from 41% to 64% during the same time frame. While the shift from liberal arts towards professional degrees occurred in both subdivisions, it was more pronounced among the less selective Liberal Arts II schools.

Simply stated, by the early 1990s, there were only 200 liberal arts colleges that awarded less than 60% of their degrees in professional fields and there were less than 90 colleges that awarded less than 25% of their degrees in professional areas. Breneman (1994) concluded that many of these institutions transitioned into professional schools during the 1970s and 1980s to meet student demands and maintain enrollment while still posturing themselves as liberal arts colleges, allowing them to escape a public makeover that might have hurt their reputations. He argued that many of these Carnegie Foundation for the Advancement of Teaching-classified liberal arts schools were really baccalaureate degree granting institutions, forecasting the 2005 revamp of the Carnegie Classification.

Breneman (1994) defined liberal arts colleges in both an educational and economic sense. Educationally, liberal arts colleges awarded bachelor-level degrees, were residential mainly enrolling full-time, traditional-aged college students, and limited the number of majors to 25 fields in the arts, humanities, language, social sciences and physical sciences. Enrollment in these institutions was usually between 800 and 1800 students. From an economic standpoint, Breneman (1994) described the liberal arts institution as one that was typically private and

maintained balanced cost-revenue models. These institutions did not receive institutional federal or state appropriated funds, and primarily depended on tuition, endowment earnings, and annual fundraising for revenue. Costs and tuition were typically high and often exceeded the public option as a result of providing personalized education that required extensive labor and physical resources.

Additionally, Breneman (1994) stated that liberal arts colleges typically provided unfunded student aid out of their institutional budget to serve one of two diverging needs. First, highly selective liberal arts colleges, as measured by the ratio of the number of admitted students to the number of applicants, typically used unfunded student aid as a way to diversify the student body and provide opportunities to students who were not capable of paying part or all of tuition. These schools had enough demand to require all students to pay full price and still fill its enrollment slots, but they prioritized diversity as an initiative worthy of institutional funding. On the other hand, less selective liberal arts institutions used unfunded student aid to attract enough students to meet their enrollment targets. As a result of these strategies, gross tuition was not a meaningful measurement of operational revenue for these institutions; rather net-tuition, which equated to the advertised price less institutional aid, was the primary indicator used when assessing an institution's financial status (Breneman, 1994). Breneman (1994) argued that it was important to understand liberal arts colleges from both an educational and economic perspective since the pressures to provide more or different curriculum offerings and to expand student services were both educational and economic in nature.

With these operational characteristics in mind and with consideration of his preliminary analysis, Breneman (1994) narrowed the focus of his study to 212 institutions that he determined were best aligned with the definition of a true liberal arts college. All 212 institutions were

baccalaureate-level Liberal Arts I colleges that had enrollments greater than 300 students. He used three measures to gauge the overall financial and enrollment strength of each institution: net tuition for each full-time equivalent student, endowment for each full-time equivalent student, and ratio of acceptances to applications. In a general sense, he found that religious-affiliated colleges, though surviving, did so at a revenue level far below their peer institutions that were not affiliated with a religious organization. Further, he found that wealthier schools were growing revenue sources far more rapidly than less wealthy schools. Once Breneman (1994) ranked the colleges in order of overall institutional strength, he divided the rankings into 10 tiers, and selected institutions from each tier, oversampling the middle-ranked groups, to create a list of 12 case institutions that were then analyzed more in depth in the study's second phase.

The second phase of Breneman's (1994) study included site visits at all 12 identified liberal arts colleges in an effort to ascertain how these institutions were planning for the future. Breneman (1994) spent one day on each campus, interviewing the president and cabinet-level administrators and using historical and institutional documents to validate interviews. He identified eight themes that emerged: enrollments and students, management and finance, faculty, academic programs, development, planning, trustees, and government policies.

In terms of enrollment, Breneman (1994) reported that most schools were concerned with meeting enrollment targets, overcoming increased price resistance from students and parents, and were enrolling fewer minorities than ideal. Several schools had expanded programming to target nontraditional students to increase the applicant pool, but still many could not recruit the number of paying students they desired, with most campuses subsidizing up to half of its enrolled students with institutions aid. A few institutions experimented with enrollment management services that focused on strategically asking students where they wanted to go to school and

targeting students based on their responses. For instance, officials at Wittenberg realized that most students who ranked the institution as their first choice typically enrolled. So, they sent high school seniors postcards asking them to rank their college choices and then focused exclusively on those who ranked Wittenberg as their first choice (Breneman, 1994).

Additionally, Breneman (1994) found that nine of the 12 institutions in the study were operating with a deficit. Responses to the deficit were focused mostly on cutting costs such as staff reductions through attrition and elimination. However, most schools were already operating with little opportunity to cut costs. Others relied on increased endowment payouts, deferred maintenance, and sought government funds through special projects. Additionally, Breneman (1994) concluded that the main financial challenge for these colleges was their ability to manage the link between tuition, institutional financial aid, and enrollments. Some colleges attempted to cap financial aid as a fixed percentage of the budget without considering more strategic and discrete ways to apply funds as an incentive for enrollment. Finally, Breneman (1994) noted the prominence given to visionary and forceful leadership and argued that small liberal arts college's most powerful advantage is their small autonomous structure that "gives the college a nimbleness and ability to move quickly and decisively in new directions, an early source of strength" (p. 101).

Additionally, Breneman (1994) concluded that small liberal arts colleges were still effectively recruiting quality faculty, many of whom were liberal arts college graduates. In terms of curriculum, the most common expansion to academic programming focused on international studies. As another theme among case institutions, fundraising was identified as a significant new professionalized force at each institution with all 12 institutions either in the midst of, concluding, or planning a major campaign. And while Breneman (1994) argued that capital

campaigns often produced the best institutional planning opportunities, he found that in the strategic planning arena, “there were no striking or original approaches to this task” among institutions (p. 110).

In terms of leadership, Breneman (1994) did not find one president who acknowledged lack of thoughtful planning in his or her administration, but many discussed the shortcomings of the previous administrations. Breneman (1994) also found that the president’s relationship with the board was perceived by presidents as an important relationship to maintain and boards were the primary source of pressure for keeping tuition low. In terms of government policies, all 12 institutions seemed to own their futures, hardly discussing in the study’s interviews how the federal government could help them. In short, Breneman (1994) suggested the overarching problems for small liberal arts colleges were their pricing strategies, investment performance, and a lack of funding increases from federal and state governments.

Financial and Operational Challenges

Research in the twenty-first century that focused on liberal arts colleges built on Breneman’s study and expanded explanations of the increased modern era challenges facing these institutions. In 2003, at the American Council of Learned Societies’ conference, *Liberal Arts Colleges in American Higher Education: Challenges and Opportunities*, several researchers examined the new challenges that this specific sector of higher education faced and would face in future decades (Benston, 2005; Ekman, 2005; Kaufman, 2005; Kuh, 2005; Lapovsky, 2005; McPherson, 2005; Myers, 2005; Oakley, 2005). Together, they outlined the comprehensive need for liberal arts colleges to find ways to adapt and remain relevant in the new millennium.

Lapovsky (2005) specifically examined economic challenges facing liberal arts colleges in the twenty-first century. She, like Breneman (1994), drew the distinction between highly

selective liberal arts colleges and a much larger group of respectable but less prestigious liberal arts institutions. Lapovsky (2005) identified those highly selective, well-endowed liberal arts colleges as the fifty “medallion” colleges in the United States, easily identified by top ranking on U.S. News & World Report’s *National Liberal Arts College Rankings* list (p. 50). She argued that these medallion institutions were fortunately positioned to charge high tuition and still attract high quality students, and were protected by large endowments. The remainder, “non-medallion” institutions were unable to fill their classrooms with 100% full tuition-paying students. According to Lapovsky (2005), these “non-medallion” institutions were the institutions that truly faced a real question of survival.

Additionally, Lapovsky (2005) highlighted three specific challenges facing liberal arts institutions in the twenty-first century: demographic shifts, demand declines, and institutional pricing strategies. First, the demographic shift experienced in the early 2000s indicated significant and continued growth in both the Hispanic and African American populations, two minorities that were not historically a major constituency in private liberal arts colleges. With the Hispanic population growing 20% in the first decade of the twenty-first century and the African American population growing more than 10%, higher education, especially liberal arts colleges, face the challenge of educating a large percentage of minority students in future decades, many of whom are first-generation students and will not be able to afford published tuition prices.

Additionally, Lapovsky (2005) argued that the demand for a liberal arts degree has declined. The historical transition of parent and student perceptions from a liberally focused to a vocationally needed advanced education led to a significantly decreased demand for the liberal arts college. The decreased demand, along with the steep expenses associated with providing an intimate learning environment, made a liberal education an expensive product (Breneman, 1994;

Gilbert, 1995). Conversely, options for cutting costs often conflicted with the mission of the institution; adding adjuncts, combining classes, and limiting student life all have cost-cutting benefits, but force institutions to stop short of living up to their liberal arts college charge (Breneman, 1994). Yet, other non-profit and for-profit colleges and universities continued to cut costs and provide mass education at a much cheaper price, and gained appeal among the fastest growing college going demographics in the country, including minorities and nontraditional students (Lapovsky, 2005).

But perhaps the most alarming challenge of all facing liberal arts colleges in the twenty-first century continued to deal with the pricing strategy and the relationship of tuition, aid, and enrollment. According to Hubbell and Lapovsky and Hubbell (2003), the National Association of College and University Business Officers (NACUBO), an organization that, since 1990, has annually surveyed all four-year accredited, independent institutions regarding tuition practices, showed that every single participant institution (N=193) increased its tuition discount rate sometime between 1990 and 2002. Hubbell and Lapovsky and Hubbell (2003) specifically noted that the 13-year data set (1990-2002) of 106 small colleges (<850 students) with low tuition (<\$21,000 per year) and 54 small colleges with high tuition (>\$21,000 per year) indicated that small colleges with low tuition rates increased tuition discounting from 27.8% in 1990 to 42.4% in 2002 while small colleges with high tuition increased tuition discounting from 28.7% in 1990 to 38.8% in 2002. Their findings also indicated that, for the majority of these institutions, administrations increased financial aid faster than tuition, resulting in negative revenue growth (Hubbell and Lapovsky, 2003). Hubbell and Lapovsky and Hubbell (2003) argued that the shift towards increased tuition discounting was due to the decrease in financial aid provided by the government and the heightened competition to attract students. Still, many schools managed to

increase net tuition (gross tuition less institutional discount), which provided additional revenue. NACUBO findings indicated that small colleges with low tuition increased net tuition by 59.6% during this 13-year span while small colleges with high tuition institutions increased by 61.6%.

Interestingly, tuition not only served as a revenue stream for these institutions, but was also an indicator, for better or worse, of the value of degree. Therefore, institutions adapted to these challenges by raising tuition to increase its reputation, but also widely distributed specific information that listed the institution's requirements for guaranteed student financial aid. This strategy protected the institution's reputation while also encouraging students to apply for admission knowing their chances of securing significant financial aid (Lapovsky, 2005). As a supplemental finding, Lapovsky (2005) examined institutional endowment size and tuition discount and found no relationship between the two. Lapovsky's (2005) chief conclusion regarding the NACUBO findings warned that trends in price discounting were unsustainable and many institutions were not maximizing tuition discounting to increase revenue through targeted recruitment and enrollment.

To elaborate further on the challenges facing liberal arts colleges regarding tuition discounting, Kaufman (2005) contrasted Breneman's (1994) and the NACUBO's definitions of tuition discount rates, and explained why the difference was important. Hubbell and Lapovsky and Hubbell (2003) and Lapovsky (2005) reported the NACUBO tuition discount rate as the total institutional financial aid divided by gross tuition revenue whereas Breneman (1994) calculated the discount rate as the total of unrestricted or unfunded institutional aid divided by gross tuition revenue. Kaufman (2005) argued that Breneman's (1994) exclusion of restricted or funded institutional financial aid creates a lower and misleading discount rate. As a result, Kaufman (2005) agreed with NACUBO's and Lapovsky's (2005) findings and argued that financial aid, as

a percentage of tuition, remained constant between 1990 and 2002, while the average discount rate rose during this time in small colleges.

In addition, Kaufman (2005) elaborated on the distinction between medallion and non-medallion liberal arts colleges, and showed that prestige was even tiered within these, creating an echelon of ultra elitist and wealthy institutions in the top level of medallion institutions. Using data from the 2002 U.S. News & World Report's *Top 49 Liberal Arts Colleges*, Kaufman (2005) found that wealthiest schools within this tier spent significantly more per student, but did not charge a significantly higher net tuition due to pressures to keep tuition low and provide financial aid. As a result, full paying students receive greater assistance at these ultra elitist institutions. Even though wealthier schools provided bigger discounts, their overall assets, including endowments, were much greater than less wealthy institutions. Consequently, they continued to gain in wealth, which created an even wider gap of inequity between these schools (Kaufman, 2005).

And finally, McPherson (2005) argued that this particularly steep unequal distribution of wealth in higher education, and in the liberal arts college arena, sets up the potential to create significant inequity in education delivery and could restrict students to specific types of opportunities. Institutions protected by large endowments were able to use tactics including generous aid packages; high tuition, which often indicated quality; and restricted access to put other institutions out of competition for students, especially high performing ones. Overall, students from wealthy backgrounds benefited from these circumstances and maintained a significant benefit to access in wealthier institutions. McPherson (2005) argued that the one strategy capable of eliminating this inequity in liberal arts colleges was encouraging wealthy institutions to admit more students from low-income backgrounds, which many started doing as

a strategy for increasing student. By top medallion schools increasing socioeconomic diversity in their enrollments, these institutions consequently redistributed wealthy students to other institutions, who then built enrollments, increased net tuition revenue, and increased the likelihood of institutional survival.

Challenges of Perception and Demand

Aside from the financial and operational challenges facing liberal arts colleges, Hersh (1997) outlined the perception challenges that faced liberal arts colleges. Hersh's (1997) analysis of a national survey of public attitudes towards higher education indicated that multiple constituencies surveyed perceived liberal arts colleges to be unimportant and ineffective. Hersh's (1997) survey results separated respondents into one of five groups: college-bound high school juniors and seniors, parents of college-bound high school juniors and seniors, chief executive officers and human resources officers, high school and college faculty and administrators, and recent higher education graduates. The study asked questions related to the importance and purpose of going to college, university and college effectiveness, and the characteristics of liberal arts education. The results indicated that very few people perceived learning for learning's sake as an important aspect of higher education. Rather, career skills ranked at the top of the list, although parents (42%) and students (35%) ranked this aspect as most important more frequently than business executives (31%) and faculty (20%) did. Even more alarming for liberal arts colleges, according to Hersh (1997), only 27% of parents and 14% of students surveyed reported being very familiar with liberal arts education as compared to 70% of faculty and 54% of business executives. And as studies previously demonstrated, while the overwhelming majority of parents and students believed the most important reasons for a student to go to college was to prepare for a career and increase earning potential, only 37% of business executives agreed.

Among suggested improvements, business executives rated more emphasis on oral and written communication skills (92%) and more internship and work-study programs (87%) as their top-ranked recommendations. Hersh's (1997) conclusions centered on the need for liberal arts colleges to demonstrate their value in a more effective way, especially to parents and students.

Kuh (2005) supplemented Hersh's (1997) findings by citing both the University of Iowa's and the Center of Inquiry in the Liberal Arts at Wabash College's studies that found several positive effects of liberal arts college education on its graduates. Additionally, Kuh (2005) drew conclusions from National Student Survey of Engagement (NSSE) data, which included nearly 430,000 student responses from 730 four-year colleges and universities since 2002, including 55% of all liberal arts colleges in the country. As Kuh (2005) stated, these data sets indicated that students were more likely to actively engage in more aspects of their education at a small, private institution, which ultimately increased the likelihood of academic success. For instance, liberal arts college students were more likely to engage with librarians and seek help with resources, work with faculty members on research projects, perform community service, study a foreign language and travel abroad than students at other institution types. Kuh (2005) also concluded, "On all five NSSE clusters of effective educational practice and other measures, liberal arts colleges score consistently higher than any other type of institution;" these clusters included academic challenge, active and collaborative learning, faculty-student interaction, enriching educational experiences, and supportive campus environments (p. 125). Yet, for all the established benefits, liberal arts colleges struggled to articulate their contribution to higher education and continued to decline in number and importance, which led Kuh (2005) to conclude that the primary problem facing these institutions was one of perception.

Ekman (2005) also argued that National Center for Education Statistics (NCES) student demographic and experience data, analyzed by the NAICU in *Twelve Facts That May Surprise You About America's Private Colleges and Universities*, indicated that private colleges maintained higher completion rates for students across the board than their public counterparts. Ekman (2005) concluded that both students with very strong high school transcripts and test scores as well as students with weaker academic records were more likely to have a successful student experience and graduate from private institutions than public ones. Furthermore, students with characteristics that were traditionally identified as high risk factors to degree completion – low-income or minority status, married, have children – were more likely to succeed in private colleges than at public institutions (Ekman, 2005).

History and Strategy of Liberal Arts College Adaptation

In addition to the overview of challenges facing liberal arts colleges, a share of the research relevant to the survivability of liberal arts colleges focused on aspects of organizational adaptation specifically related to this institutional type. Several articles highlighted the role of identity and mission, religion, external pressures, and internal organizational factors, especially presidential leadership in the adaptive strategies of liberal arts colleges.

The Role of Identity and Mission

Breneman (1994) and Zammuto (1984) argued that changing a liberal arts college's programmatic mission constituted institutional failure. The research was mixed, however, with some researchers agreeing with Breneman (1994) and Zammuto (1984), while others provided different interpretations (Benston, 2005; Delucchi, 2000; Kanigel, 1986; Lang, 1999; Myers, 2005; Rodgers & Jackson, 2011; Stimpert, 2004; Tedder, 2010). In either case, researchers

seemed to agree that an institution's mission and identity played a role in organizational adaptation.

More specifically, Kanigel (1986) researched the plausibility of liberal arts institutions adapting their mission and curriculum in the 1980s to meet the needs of an increasingly specialized economy and a shrinking student applicant pool. He argued that liberal education needed to include technology to remain relevant. He presented several examples of institutions that designed new technology-based courses while still using a liberal arts approach. At Vassar College, an introductory course in scientific inquiry required students to compare popular media coverage of scientific research advances with the original journal research. Another course, *Studies in Technological Creativity*, surveyed the links between “artistic, scientific, and technological creativity” (Kanigel, 1986, p. 22). Williams College's *Technology and Culture* course traced the evolution of technology throughout different cultures, and its *Computer in Society* course focused on how technology impacted a society and people's role within it. These courses both equipped students with technological skills and also taught them about technology's effects and humanistic impact in the world. As Kanigel (1986) indicated, a liberal arts education cannot prepare an individual to be a well-rounded and thoughtful contributor to society without teaching them something about technology. Kanigel (1986) argued that adaptations to the curriculum like these were central to liberal arts colleges' successful integration into modern America and to their demonstration of relevance to the new college student.

Delucchi's (2000) research added a new dimension to research focused on adapting missions. He concluded that many university and college mission statements did not align with their actual program areas and activities and that such a misalignment was considered purposeful and adaptive. The purpose of his study was to determine the extent that liberal arts colleges'

mission statements were decoupled from major area of degrees awarded and to identify organizational characteristics that had a relationship with decoupling. Specifically, his study focused on the frequency of liberal arts claims in higher education, the extent to which these claims were consistent or inconsistent with major areas of degree awarding, and the organizational features most associated with whether an institution remained consistent or inconsistent in their claims and practice. He used data from *Person's Guide to Four-Year Colleges* (1993) and analyzed 779 college and university profiles, categorizing them as liberal arts, professional, or combined, based on their mission statements. He then determined the percentage of liberal arts degrees each institution awarded, dividing them by institutions that awarded 60% or more and less than 60% of liberal arts degrees. He controlled for institution size and geographic location.

In this study, Delucchi (2000) defined decoupling as “an organizational response to the legitimacy/efficiency dilemma” (p. 159). Essentially, this strategy allowed an organization to conform to the environment with established standards and formal structures while maintaining flexibility in its operations and activities. He also stated that highly institutionalized organizations were typically defined by vague outputs that were difficult to quantify and by activities that were assessed through conflicting criteria, creating a grey area that allowed them to say one thing and do another. In this situation, mission statements represented a range of plausible justifications for the institution, maintaining a broad focus with general language rather than a rigid and specific aim corresponding to degree programs and areas.

The results of Delucchi's study were based on descriptive statistics and multivariate logit analysis since the distribution of decoupled institutions was skewed. The results supported both hypotheses. Nearly 70% of the institutions analyzed by Delucchi (2000) exhibited decoupling

between mission statement and major field of degrees. Both control variables had a significant effect on the likelihood of decoupling; size (.652) indicated that the larger the institution, the more likely it was to display decoupling, and location (-.799) indicated that an institution located in the northeast, where the majority of liberal arts colleges are located, was less likely to display decoupling than institutions located elsewhere. In terms of organizational characteristics, selectivity was the strongest predictor of decoupling (-1.720), religious-affiliated colleges were more likely to display decoupling than non-religious schools (1.467), and as endowment level increased, the likelihood of decoupling decreased (-.427).

Delucchi (2000) employed an institutional perspective for his study, which assumed that an organization formed in response to external factors and aimed to grow and survive. In order to do that, organizations sought to resolve uncertainty and maintain operations that simulated other organizations within the same environment. He concluded that many universities and colleges that were established as liberal arts colleges continued to operate under that distinctive identity to maintain its acceptability and support, but the prevalence of professional programs was an adaptive measure to deal with uncertainty arising from changing student demand and demographics and market shifts. Delucchi (2000) contextualized his study in the changes that occurred in liberal arts colleges in the 1990s when high school graduates decreased and when curriculum changes trended towards professional education. Under these conditions, liberal arts colleges strayed from their original mission, but maintained public statements that endorsed its historical purpose in order to adapt to the environmental needs while creating a continuous image, which increased the institution's likelihood of survival.

But researchers like Tedder (2010) argued that liberal arts education was not compatible with vocational education and therefore expanding the curriculum to include vocational areas

was not a plausible strategy for adaptation. Tedder (2010) argued that it was not possible to implement an education where “educators can have single primary intention to both inspire people to freedom (liberal education) and prepare people to fit into an economic or academic niche (professional education)” (p. 81). Tedder (2010) also claimed that the essential difference between liberal and professional education was that one created an “adapted” individual while the other created an “adaptive” individual (p. 81). Education that served employers, Tedder (2010) argued did not focus on instilling principles of dissent, negotiation, and freedom in students. Therefore, a partnership between liberal and vocational education was not commensurable, demonstrated by the following contradictory notion that education can “manufacture citizens to employee-specifications while also instilling in them a high level of self-determination since the economic demands agree with the work even if the conditions are terrible unfair and unjust” (Tedder, 2010, p. 84). Further, he argued that just because employers and students alike wished to make higher education a career preparation experience did not assume a role for higher education in job training and vocational skill development. Rather, Tedder (2010) argued that liberal arts education needed to continue developing education based on its historic principles and mission and resist the attraction to focus on vocational aims.

Regardless of the nature of its adaptive strategies, Stimpert (2004) wrote that liberal arts colleges faced growing pressure to identify themselves and their role in higher education. He argued that the most successful schools were the ones that cultivated a “compelling identity that communicates in just one or a few sentences what it is, what it aspires to be, and what distinguishes it from many other competing institutions” (p. 44). Moreover, a compelling brand also served as a powerful force in strategic planning, helping make decisions about resource allocation. Stimpert (2004) provided examples like Berea College that was known for its work

program and full-tuition scholarships, Earlham, known for its strong Quaker traditions, and Colorado College known for its unconventional block calendar. Although Stimpert (2004) claimed that a distinctive brand was a key to survival, he also acknowledged that it worked as a limiting factor when the brand did not universally appeal to all students or when the institution's own constituencies did not value the brand.

In general, Stimpert (2004) argued that the liberal arts college brand needed to revitalize itself by integrating residential facilities and student services into its academic value as well as by improving the educational importance of extracurricular clubs, student leadership, and athletics. In addition, Stimpert (2004) wrote that faculty roles needed to be preserved as part of the liberal arts college distinctiveness. More specifically, he said that faculty contributions to administrative leadership and academic operations, such as student advising and first year experience, faculty hiring, and curriculum modifications were absolutely essential to the character of the college. In terms of finances, Stimpert (2004) once again pointed to the distinctive brand of the college as a strategy to guide expenditures. Liberal arts education, in its most generic sense, was naturally expensive because it was labor and resource intensive, he noted. When considering new programs or renewing old ones, the institution needed to assess program performance and its value to student enrollment. The same principle, according to Stimpert (2004), should be applied to financial aid allocation. The question was: did it help recruit and retain? These strategies, focused on the prominence of the brand, were capable of helping an institution adapt to survive.

Also understanding the importance of branding, Rodgers and Jackson (2011) tested how effectively a small, private college branded its institution based on student perceptions. According to Rodgers and Jackson (2011), a brand was an internal understanding of what an

institution thought about itself. It was not the same as a mission and vision. They tested an institution's brand as it was perceived by first-year freshmen and graduating seniors. The participants responded to five compound sentences each with blanks for students to fill in regarding their perceptions about the institution. Participants were also given the Institutional Culture Survey, which measured students' perceptions about their institution. Freshmen completed a pre-test during orientation and a post-test during the end of their first spring semester. Also, the survey was administered to seniors during their last spring semester. Data were collected during the 2007-2008 and 2008-2009 years. In 2007-2008, 252(63%) freshmen responded to the pretest, 75(19%) responded to the post-test, and 168 (35%) graduating seniors responded to the survey. In 2008-2009, 236 (63%) freshmen responded to the pretest, 102 (26%) of freshmen responded to the posttest, and 125 (29%) graduating seniors responded to the survey.

Rodgers and Jackson (2011) analyzed responses and categorized themes using content analysis. Using pattern coding, they paired like constructs and ranked their frequency. The results indicated a stable understanding of the institutional brand among all three groups. Of particular interest, fine arts programs and international and minority student populations were consistently highlighted as themes in the responses, and even more so by freshmen than seniors. Rodgers and Jackson (2011) indicated that this theme might be explained by seniors who grew so accustomed to the brand that its aspects were more implicit and no longer stood out to them. Overall, incoming and outgoing students' perceptions aligned with the institutional identity. Rodgers and Jackson (2011) argued that assessing identity strength among students, faculty, and other constituencies provided helpful insight into perceptions about the institution, especially

when significant changes regarding curricula, programs, and mission were made to adapt and survive (Rodgers & Jackson, 2011).

The Role of Religious Affiliation

Another area of research focusing on the adaptability of liberal arts colleges dealt directly with religious-affiliated colleges. Matthews (1977) argued that these institutions were in a unique position to create change in higher education because, in many ways, they were the most independent and free institutions in the market and were capable of quickly changing course and adapting. However, in order to quickly adapt, Matthews (1977) asserted that these institutions needed to reframe their goals in contemporary terms while maintaining a constant philosophy. Specifically, by keeping their moral education component intact, these institutions positioned themselves to uniquely provide knowledge with context and perspective. In the modern market, this constituted a distinctive approach, giving religious-affiliated colleges a niche. Though Matthews (1977) argued that embracing parts of the religious tradition was a viable strategy of survival, he did not propose a return to pietism and mandated religious practice. Rather he proposed a moral-based education that returned values, ethics, and judgment to liberal arts education as a tactic for the religious-affiliated colleges' institutional survival.

As a related focus, Gomes (1999) also noted the declining role of religion in higher education throughout the 20th century. Many of the oldest institutions in America gave a central position on campus to the chapel, symbolizing the role of the church in early America's college. As Woodrow (2004) later echoed, religion was engrained in the early American college. As an example, Harvard's president taught a course in moral philosophy to all graduating seniors. But a dramatic cultural shift, beginning in the 1950s and continuing in a more pronounced way into the 1970s, significantly limited the formal religious practices of universities and colleges. In short, a

general mistrust in institutional power swept the nation during the mid-20th century. In addition, institutions needed to appeal to a wider student pool outside denominational stakeholders (Gomes, 1999). Consequently, many church-affiliated institutions rebranded religious activities as a student service and chaplains became counselors instead of the “president’s vicar or alter ego” (Gomes, 1999, p. 108). Overall, these changes tamed the religiosity in church-affiliated colleges, and Gomes (1999) argued that they contributed to a lost sense of self and a quieting of these institutions’ moral identities. By erasing so many aspects of their distinctiveness, many of these institutions lost their niche and lacked vision. Consequently, Gomes (1999) argued that once again embracing moral education alongside its traditional distinctions – college gatherings, residential life, and integrated faculty – is an effective adaptive strategy for these institutions. By refocusing the curriculum on principled leadership, cultivation of values, oratory and debate, and learning based on the humanistic approach, he argued, will once again enable these institutions to find a niche and serve it.

Yet, by the turn of the twenty-first century, Woodrow’s (2004) study indicated that instead of embracing church-affiliations, some institutions found that erasing them was a more adaptive strategy. In the early 1980s, with the emergence of professional marketing, communications, and fundraising, a handful of church-affiliated colleges renamed themselves with secular names. Woodrow (2004) listed several examples in existing research: in 1985, Alabama Christian College became Faulkner University; in 1993, Columbian Christian College became Cascade College; in 1997, Michigan Christian College became Rochester College; that same year, Pacific Christian College became Hope International University; and in 1998, Southern California Christian College became Vanguard University.

Woodrow's (2004) study focused specifically on the name changes of liberal arts colleges affiliated with the Church of Christ. Of 13 colleges founded between 1885 and 1959, six colleges (46%) changed their names removing the religious connotation, three retained religious names, three never had a religious name, and one went from a non-religious name to a religious name. All of the schools that kept their religious name were located in Texas or Oklahoma. With the exception of changing the institution's name, these six colleges did not make changes to the mission, curriculum or operations of the college, and many publications still acknowledged the church-affiliation of the college, yet the enrollment of all six institutions jumped after each one changed its name. The study concluded that there was a growing shift toward secularizing higher education, even church-affiliated colleges as a means of adaptation. Woodrow (2004) pointed out that church-affiliations potentially had significant negative consequences for specific types of applicants, especially international students.

The Role of External and Internal Factors

Finally, the last subsection of liberal arts college adaptation research focused on the role of both external and internal factors in organizational adaptation. Kratz's (1995) research highlighted the importance of external factors while Milliken (1990) and Chaffee (1984) attributed the likelihood and success of organization adaptation to internal factors with Chaffee (1984) especially highlighting the importance of presidential leadership in this process.

Milliken (1990) conducted his study in the late 1980s and early 1990s, during significant enrollment shifts in higher education. The purpose of the study was to examine the effect of resource dependence, defined as how much an organization relied on the resource in question, and how organizations' resource dependence related to specific organizational characteristics including the amount of state uncertainty, effect uncertainty, and response uncertainty that

college administrators reported in connection with organizational change. Milliken (1990) randomly sampled 148 private four-year liberal arts colleges and separated them by region. He received 211 (35.8%) out of 589 responses from 122 schools. Milliken (1990) measured types of certainty with a survey previously used in Duncan's (1972) research, which asked participants to estimate the chance of occurrence for six items on a five-point scale ranging from certainty of non-occurrence to certainty of occurrence. He measured resource dependence by selectivity, defined as the ratio of applicants to acceptances, and by dependence on undergraduate programs, defined as the number of students enrolled in undergraduate and graduate programs divided by the number of graduate students. Several scales measured perceived organizational characteristics. The surveys asked questions like estimate the percentage of faculty who had a national reputation or published a book in the last year or estimate the percentage of students for whom the school was their first choice.

Using Daft and Weick's (1984) model of environmental interpretation, Milliken (1990) described a three-step process by which actors in an organization scan, interpret, and respond to a change in their environment. When scanning, actors identified trends and changes in the environment that might affect functioning. When interpreting, they identified threats and opportunities, which required an understanding of how the identified changes affect the organization. And when responding, actors described the task of taking action in response to the changes. Each step generated a type of uncertainty. In scanning, actors experienced state uncertainty if they could not identify the environmental changes or if they could not determine likelihood of a change occurring. In interpretation, actors experienced effect uncertainty if they were unsure about what effect the change could have on the organization or if they could not clearly assess if the change was a threat or an opportunity. Finally, in responding, actors

experienced response uncertainty if they were not confident about how to respond to the change either because they were unsure of their adaptation options or their effectiveness.

Milliken (1990) made several hypotheses. First, he hypothesized that high resource dependence was associated with high effect certainty, did not have an effect on the level of state or response certainty, and moderated relationship between effect and state certainty. Second, Milliken (1990) also hypothesized that high perceived organizational effectiveness was associated with low effect certainty and high response certainty. Third, Milliken (1990) hypothesized that strong perceived institutional identity was associated with low effect certainty and high response certainty. Fourth, Milliken (1990) hypothesized that increased organizational decentralization was associated higher levels of state, effect, and response certainty. And finally, Milliken (1990) hypothesized that institutions located in regions where population decreases among 18-22 year olds stayed low were less likely to interpret changing demographics as a threat.

Milliken (1990) used bivariate analyses to assess correlations followed by multiple regression analysis to explain variance. Effect and state certainty were correlated but accounted for less than 10% of the variance. No relationship between state and response was found, indicating that perceived change in the environment did not positively link to certainty in response. In fact, the relationship between effect and response certainty showed that the more significant threat, the less certain and actor was about the organization's response. Results also showed that the greater the institution's selectivity, the less an environmental change was perceived as a threat, and the greater the role of undergraduate programs at the institution, the greater the effect certainty because actors were more convinced that the change would affect the organization. Finally, in terms of organizational characteristics, when the organization was

perceived as effective and had a strong identity, participants were more uncertain about the effect the change would have on the institution and more certain that the institution would respond with effectiveness. These results indicated that perception served as a powerful factor in influencing organizational change.

Somewhat oppositely, Kratz's (1995) study argued that external factors had more of a prominent role in moving organizations to change than Milliken's (1990) study acknowledged. In a general sense, Kratz (1995) showed that curricular adaptations were more likely to occur in organizations when the organizations' peers had previously implemented the same change. Kratz (1995) examined 52 different associations and consortia that connected almost half of all liberal arts colleges in America. Broadly speaking, consortia and associations typically existed to share information and decisions among colleges that had similar identities and missions. More specifically, Kratz (1995) focused his study on the Council on Institutional Leadership data and compared data from 12 institutions between 1971 and 1986. He studied finances, enrollment, curriculum offerings, and general operations. He argued that an institution's likelihood to adapt in a specific way increased as the frequency of peer institutions that previously adapted in a similar way increased. He also argued that an institution's likelihood to adapt in a specific way also increased if peer institutions that previously adapted in similar ways were successful in their adaptation or if they were had similar tuition rates and enrollment sizes as the given institution. Finally, Kratz (1995) argued that the extent to which a given institution was susceptible to peer influence depended on the institution's own performance. In a general sense, Kratz (1995) concluded that consortia moderated organizations' adaptability and organizations, at least in part, based adaptability measures on peer institutions' situation and performance.

Finally, in *After Decline, What? Survival Strategies at Eight Private Colleges*, Ellen Chaffee (1984) examined the strategic changes employed by leaders at private colleges that experienced significant decline from 1973 to 1976, which was followed by a financial resurgence in 1976 that was largely caused by an infusion of student federal aid funds. She selected 14 of 40 colleges identified by the Higher Education General Information Survey (HEGIS) as revenue-declining institutions between 1973 and 1976. Following Chaffee's (1984) initial analysis of the institutions, she completed interviews with representatives at eight of the 14 colleges and verified interview material using historical documents. She used pseudonyms for all case institutions in the study.

Chaffee (1984) concluded that the institutional futures of these colleges were more a product of their internal factors than their external environment. She wrote, "The one unequivocal conclusion that seems dictated by the empirical evidence of these case studies is that for better or worse, the colleges themselves were the principal architects of their own future" (Chaffee, 1984, p. 125). Further, she argued that the institutions' presidents were particularly influential and served as the organizations' key decision-maker and ambassador: "...for small private colleges in trouble, finding an able and dedicated leader is a matter of life or death" (Chaffee, 1984, p. 2). Aside from a strong and positive presidential influence, revived institutions projected strong values that solidified its foundation. Three of Chaffee's (1984) eight case study colleges were particularly relevant to the study of liberal arts college survival and are mentioned below.

Links College, a small, nonselective, liberal arts college, was established in a rural area after outgrowing facilities within a dying community following World War II. During the 1970s, Links' revenue decreased 23% and enrollment dropped from 2700 to 1450 students. While the

external environment certainly presented challenges, Chaffee (1984) argued that the college's tipping point was internal. Links' president during this era was focused almost exclusively on fundraising and paid little attention to fiscal management responsibilities, neglecting to enforce a range of policies. The complacent president, failing to evoke confidence from his institution, was fired and his successor, facing the same set of institutional problems and external pressures, immediately established clear communication and administrative teams to help address the college's challenges. He primarily focused his attention on fundraising and recruitment operations, but oversaw all operations and ensured proper organizational and fiscal management. During his tenure, the college reduced its dependency on tuition as its primary source of revenue, reduced its debt service, and balanced its budget. Additionally, almost all program changes moved towards vocational expansion. Links targeted curriculum changes that focused on part-time and nontraditional students and increased the diversity of its student enrollment by responding to the needs of the community. At every turn, the college looked for ways to increase its efficiency and its effectiveness. Chaffee's (1984) overall assessment of Links College was simple: it hugely benefited from "comprehensive executive leadership" (p. 32).

Ryke College, established as a Protestant-affiliated liberal arts college in a large Midwestern city with nearly 50 other institutions in its immediate area, was both large and selective and was known for its academic rigor. The college served mostly in-state students. The institution benefited from the extensive philanthropy of a benefactor in the 1950s, which almost single-handedly turned the college into a nationally-known institution by using funds to build its faculty and recruit national merit scholars. But in the late 1960s, the college's president avidly pursued his own social activism agenda. The consequences of pursuing such a narrowly focused agenda with little buy-in were both financial and public. He provided full scholarships to

minorities instead of using funds to provide partial financial aid to a greater number of students. As a result, he created huge budget deficits that showed his strategy was not sustainable. Eventually, the college received negative publicity and philanthropic supporters lost confidence in the college's leadership and pulled their funding. In 1971, a new president brought a new approach characterized by smart financial decisions but poor overall personnel management, refusing to communicate with his administration and faculty. Still, his fiscal policy helped the college recover until unexpected drops in enrollment once again sent the institution spiraling. Finally, in 1975, a high school administrator was recruited for the college's top job. He hired a vice president who heavily focused on faculty hiring and retention, he implemented a process which allowed college faculty and staff to contribute to budget discussions, he eliminated the deficit, he began a capital campaign, and he implemented moderate tuition increases using financial aid to strategically recruit students. The institution gradually cut curriculum that did not focus on its liberal arts purpose, which created a smaller but stabilized college (Chaffee, 1984).

Finally, Chaffee (1984) chronicled Prairie College, a prestigious and selective, 1000-student liberal arts college with a large endowment, located in the Midwestern area of the United States. Its longtime president, who led the campus from 1949 to 1973, was a highly respected leader who did not practice good financial management. His untimely death served as a tipping point for the institution. His successor, a faculty member, who had a wealth of institutional knowledge was appointed in part because of his "gift of putting people at ease," and focused on realigning the institution's revenues and expenditures, creating a balanced budget, cutting costs, and increasing fundraising, all the while protecting direct learning expenditures from cuts (Chaffee, 1985, p. 82). Like Ryke, Prairie focused its mission exclusively on liberal arts, which likely limited their enrollments especially during crunch times. However, the institution

remained committed to its mission by strategically using financial aid to attract top-level students. In addition, Chaffee (1984) observed that they “improved admissions and staffing, strengthened alumni relations, provided career planning counseling, provided multidisciplinary course work for freshmen” (p. 83). The college regained its stability, increasing its retention, added computer courses and focusing intently on general education. The institution, though smaller after its adjustment than before it, adapted to monumental challenges and created a plan for long-term survival.

Like Chaffee, Puglisi (2011) also provided insight into presidents overseeing change at small, private colleges. He claimed that the president was central to the change and bears the biggest burden for its success and failure. Puglisi (2011) argued that in order to be successful, presidents needed to drill down to the roots of financial problems and not focus on the symptomatic deficit or failed campaign. He also indicated that a good team operated with trust and acted in an advisory role, which was critical to the process of change. Presidents who were most effective remained positive and poised, understanding that years of problems take years to solve, but a five-year plan with attainable goals helps keep perspective and focus. Additionally, the board of trustees was the president’s primary authority so effective president’s provided as much information to the board as possible and established strong relationships with the chair and the finance committee. According to Puglisi (2011), board of trustees members sometimes became overly active in times in crisis. As a result, an effective president kept the board focused on their financial role while the administration focused on operations. And as Puglisi (2011) argued, it was always the president’s responsibility to protect budgetary allocations for academic programs and student experiences. Finally, maintaining campus morale and communicating

remained central to a president's success in introducing change. "To the extent possible and prudent, be open, honest, and transparent" (Puglisi, 2011, p. 88).

Chapter Summary

Chapter II provided a comprehensive review of scholarly research relevant to the current study. The brief historical analysis of American liberal arts college, including its inception, prominence, and its decline contextualized both the challenges these institutions faced and continue to face in the twenty-first century. Additionally, understanding this evolution provided insight into the adaptive strategies employed at these colleges during the last several decades. The existing literature reviewed in this chapter served to inform the findings of the current study, which focused on how liberal arts colleges adapted to the pressures of the Great Recession of 2007 in an effort to remain relevant in the twenty-first century.

CHAPTER III

METHODOLOGY

Guided by a broad review of the current literature and the theoretical framework of organizational adaptation, the current study's purpose was to understand how private liberal arts colleges adapted during the Great Recession of 2007 by examining institutional changes at three private liberal arts colleges and their effects on the institutions' operations. The study gave specific attention to liberal arts colleges located in the southeastern region of the United States. To achieve this purpose, the following specific research questions directed the study.

1. What external environmental pressures influenced the liberal arts colleges during the Great Recession of 2007?
2. What adaptive strategies did the liberal arts colleges employ to respond to the external environmental pressures during the Great Recession of 2007?
3. How did the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007 affect their operations?
4. How did institutional constituents perceive the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007?

I used a qualitative multiple-case study approach to address these research questions. This chapter outlines the study's research procedures and includes a description of and rationale for the research design, as well as lays a specific procedural basis for collecting and analyzing data. The chapter also addresses issues of data integrity and ethical considerations. By ensuring a

“rigorous methodological path,” I aimed to produce valid and reliable results that enhanced the current knowledge base in the educational research field (Yin, 2009, p. 3).

Research Design

A research design is a detailed plan that outlines the framework a researcher will use to develop conclusions about the study’s research questions and interpretations about the study’s central phenomenon. This framework includes established rules regarding data relevancy, collection techniques, and analysis of results (Yin, 2009). The appropriateness of specific research designs and techniques depends largely upon the nature of the research study’s purpose and research questions. After a review of these established research practices and formulation of the current study’s primary aim and research questions, I determined that the most appropriate research design for the current research study was a qualitative multiple-case study.

Qualitative research encompasses a range of designs, but in a general sense, the approach is characterized as including “forms of inquiry that help us understand and explain the meaning of social phenomena with as little disruption of the natural setting as possible” (Merriam, 2009, p. 5). Qualitative research usually explores a central concept or idea, known as the central phenomenon, by posing open-ended questions that hinge primarily on participant’s perspective (Creswell, 2008). The prominence of the participant’s perspective in qualitative research is based on the design’s assumption that reality is “constructed by an individual interacting with their social worlds,” and that understanding this process is a legitimate research aim (Merriam, 2009, p. 6). Data from participant interviews along with other forms of data are collected in the participant’s context, which is often referred to as the field or the naturalistic setting (Creswell, 2008; Denzin & Lincoln, 1997; Merriam, 2009; Patton, 2002). Finally, qualitative research approaches are most fitting when investigating research questions that focus on new areas of

inquiry, on investigating processes as opposed to outcomes, or on understanding an idea in a detailed and descriptive way (Denzin & Lincoln, 1997; Merriam, 2009; Yin, 2009).

The most commonly used qualitative approach, the case study, gives particular attention to intensely investigating and understanding a study's fundamental concept (Stake, 2000). Yin (2009) defined a case study design as "an empirical inquiry that investigates a contemporary phenomenon in depth within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident" (p. 18). Merriam (2009) supplemented that definition by adding that case studies focus on a defined unit of analysis and emphasize "process rather than outcomes," "context rather than a specific variable," and "discovery rather than confirmation" (p. 19). Consequently, Yin (2009) argued that this design is most appropriate when investigating research questions that examine the "how" and "why" of a research issue (p. 27). Yin (2009) described this rationale this way:

The case study inquiry copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result and benefits from the prior development of theoretical propositions to guide data collection and analysis. (p. 18)

In an overall sense a case study is distinguished from other forms of qualitative research because it draws on several types of data sources, including but not limited to participant interview data, and gives significant attention to the context or contexts in which the unit exists (Merriam, 2009; Yin, 2009). Additionally, it produces an in-depth investigation of a specific entity (Creswell, 2008; Patton, 2002).

While there are a number of deviations of case study frameworks, several researchers affirm that the multiple-case study design, also known as the comparative case method or the collective case study, produces more powerful, valid, and transferrable results than the single-

case design because the researcher interprets results from multiple and varying cases during the research study (Merriam, 2009; Stake, 2000; Yin, 2009).

When these established research procedures were considered with respect to current study, it was most appropriate to frame the current study as a qualitative, multiple-case study approach. With little empirical focus on the adaptation of liberal arts colleges during recession times, the purpose of the current study and the nature of the research questions were largely exploratory and aimed to discover aspects of the process of change as well as how and why these changes occurred. To better understand the central phenomenon of adaptability in liberal arts colleges amidst changing external contexts in the twenty-first century, I engaged in an intensive study of three institutions that assumed multiple contexts for each case. I produced both an independent and holistic description of each case as well as a comparative analysis of common themes among all three cases (Merriam, 2009; Stake, 2000). This approach ensured that the study gave attention to both a descriptive focus of each individual entity as well as a comparative analysis across cases.

Finally, while case study findings do not yield statistical generalizations, qualitative case study results are “generalizable to theoretical propositions,” especially when analyzing multiple cases within the same study (Yin, 2009, p. 15). As Yin (2009) described, the researcher seeks to understand the study’s results “in which a previously developed theory is used as a template with which to compare the empirical results of the case study” (p. 38). Therefore, the comparative analysis of the three institutions enhanced the overall understanding of organizational adaptability and further shaped the theoretical frameworks presented in Chapter I. This process helped shape general interpretations about the ways in which small liberal arts colleges adapt, ultimately contributing to the existing body of theoretical research.

Sampling

According to Merriam (2009), sampling in case study designs is typically “nonrandom, purposeful, and small” (p. 8). By being purposeful in participant selection, researchers can choose participants based on specific criteria that are important to better understanding the central purpose of the study (Creswell, 2008). Additionally, restricting the sample size to a “few individuals or a few cases” allows the researchers to conduct an intensive investigation and limits the danger of overextending the study’s resources (Creswell, 2008, p. 217). With this rationale, the current study employed “nonrandom, purposeful, and small” sampling strategies on two levels: the case level and the participant level (Merriam, 2009, p. 8).

Since the current study’s research questions focused on organizational adaptation, it was most appropriate that the analysis unit for the present case study was the institution (Patton, 2002; Yin, 2009). When sampling case institutions for the current study, I used maximum variation sampling, a purposeful sampling strategy that selects participants with “widely varying instances of the phenomena” (Merriam, 2009, p. 63). Patton (2002) stated that this strategy ensures that “any common patterns that emerge from great variation are of particular interest and value in capturing the core experiences and central, shared dimensions of a setting or phenomenon” (p. 235).

Based on this approach, I selected each institution in the study because it was defined as a “Baccalaureate College--Arts & Sciences” by Carnegie Foundation for the Advancement of Teaching’s 2010 classification system; it was located in the southeastern region of the United States; it was affiliated with a specific Protestant and Evangelical Christian denomination; and according to popular media coverage between 2007 and 2011, each institution varied in the nature and effects of its institutional adaptation (Carnegie Foundation for the Advancement of

Teaching, 2010). Additionally, the rankings of all three institutions, according to the most recent issue of U.S. News & World Report's *National Liberal Arts College Rankings* in which each institution appeared, varied widely (U.S. News & World Report, 2011; U.S. News & World Report, 2012). Of the three institutions, one ranked in the top 100 liberal arts colleges on the U.S. News & World Report's list, one ranked in the 100-200 bracket of the list, and the third institution closed in 2009. Based on the above criteria, the sample cases were similar in terms of classification and religious affiliation, but varied widely with regard to popular media coverage and rankings, providing a solid rationale for maximum variation sampling.

After initial case selection, I spoke with three college presidents and asked that they consider participating in the study. They agreed pending further details. Once the research proposal was finalized, I contacted each institution's president by email and followed up with a phone call. The email (Appendix A) reintroduced myself, provided a copy of the case protocol (Appendix B), and formally requested the institution's participation in the study. All three presidents consented by email; two consented through emails from their administrative support representatives. To protect institution identity as much as possible, I assigned an acronym to each institution: Colston College, Payton College, or Vilma College. The acronyms were arbitrary and did not reflect value or a ranking of the institutions.

I also employed purposeful sampling in the current study when I selected individual participants within each case. First, I focused on participants at each institution who were well informed and equipped to provide insight into the case institution by nature of their role at the institution. These initial potential participants that I identified at each institution included the president, the president's cabinet, two faculty members who held leadership roles in the faculty governing body, and at least one board of trustees member. Participants at Colston College and

Payton College held these positions at the time of the current study's fieldwork whereas participants associated with Vilma College, the closed institution, held these positions at Vilma College sometime between 2006 and 2011. Additionally, I used these initial participants as "gatekeepers" and, as part of the interview process, I asked them to identify additional participants who were well informed and equipped to provide further insight into the case institution (Creswell, 2008, p. 219). This secondary sampling method, identified by Creswell (2008) as "snowball sampling," allowed me to include participants with valuable insight who were not initially perceived as important to the study (p. 217). I contacted these additional participants and included them in the interview process as well.

In all, 31 participants took part in the current study, which included nine participants from Colston College, eight participants from Payton College, and 14 participants from Vilma College, however, one participant from Vilma College withdrew following the interview citing confidentiality concerns. Therefore, a total of 30 participants' interviews were included in the study's analysis. Figure 1 gives an overview of these participants and the duration of their service at their respective institutions between 2006 and 2013.

More specifically, at Colston College, I interviewed the interim president and dean for institutional advancement, six acting cabinet members, and two faculty members. Less than one week before my fieldwork commenced at Colston College, Colston College's president resigned and the board of trustees appointed the dean for institutional advancement as interim president. As a result, the president and a member of the board of trustees at Colston College were not available to participate in the current study. At Payton College, I interviewed one board of trustees member, the president, four acting cabinet members, and two faculty members. At Payton College, the vice president for student development vacated his position three weeks

before my fieldwork commenced. Consequently, he was not available to participate in the study. Finally, I interviewed one board of trustees member, the three most recent past presidents, eight former members of the cabinet who served at the institution between 2006 and 2011, and two faculty members from Vilma College. After I completed the interviews, one participant from Vilma College asked to be removed from the study citing confidentiality concerns. Therefore 13 of the 14 interviews from Vilma College were included in the current study.

To protect participant identity as much as possible, I referred to participants throughout the current study by the nature of their role and the number of their case institution. Table 1 illustrates the selected biographical data of the current study's participants including gender, age, race or ethnicity, and the highest level of education attained. Biographic information was based on public and self-reported data. All participants in the study were identified as White or Caucasian. Of 30 participants, five were female and 25 were male. Of the five females, one served as a faculty member and four served as cabinet members, one at Colston College and three at Vilma College. Additionally, most participants were between the ages of 46 and 65, however three participants were between the ages of 31 and 40 and three participants were between the ages of 66 and 75. Of 30 participants, five participants, who were all cabinet members, reported a bachelor's degree as their highest level of educational attainment; two participants reported a juris doctorate degree; eight participants reported a master's degree with two of those in education; and 14 reported doctorate degrees, with one of those in higher education administration. All faculty members, presidents, and provosts interviewed at all three institutions reported their highest level of education as a doctorate degree.

Table 1

Selected Biographical Participants' Data

Case Institution	Role	Gender	Age	Race/ Ethnicity	Highest Level of Education Achieved
Colston College	Cabinet Member	M	61-65	White	Doctorate Degree
	Cabinet Member	M	56-60	White	Master's Degree
	Cabinet Member	M	56-60	White	Juris Doctorate
	Cabinet Member	M	51-55	White	Bachelor's Degree
	Cabinet Member	M	56-60	White	Bachelor's Degree
	Cabinet Member	F	61-65	White	Bachelor's Degree
	Cabinet Member	M	46-50	White	Master's Degree (in Education)
	Faculty Member	M	61-65	White	Doctorate Degree
	Faculty Member	M	66-70	White	Doctorate Degree
Payton College	Trustee Member	M	61-65	White	Master's Degree
	President	M	46-50	White	Doctorate Degree
	Cabinet Member	M	56-60	White	Doctorate Degree
	Cabinet Member	M	56-60	White	Bachelor's Degree
	Cabinet Member	M	51-55	White	Bachelor's Degree
	Cabinet Member	M	56-60	White	Master's Degree
	Faculty Member	M	36-40	White	Doctorate Degree
	Faculty Member	F	46-50	White	Doctorate Degree
Vilma College	Trustee Member	M	46-40	White	Juris Doctorate
	President	M	66-70	White	Doctorate Degree
	President	M	71-75	White	Doctorate Degree
	President	M	51-55	White	Doctorate Degree
	Cabinet Member	M	51-55	White	Doctorate Degree
	Cabinet Member	M	56-60	White	Bachelor's Degree

Cabinet Member	M	46-50	White	Master's Degree (in Education)
Cabinet Member	F	56-60	White	Master's Degree (in Education)
Cabinet Member	F	61-65	White	Master's Degree
Cabinet Member	F	31-35	White	Doctorate Degree (in Education)
Cabinet Member	M	36-40	White	Master's Degree
Faculty Member	M	51-55	White	Doctorate Degree
Faculty Member	M	56-60	White	Doctorate Degree

Finally, Creswell (2008) argued that the institutional review board process is crucial in qualitative case-study research since “data collection consists of lengthy periods of gathering information directly involving people and recording detailed personal views from individuals” (p. 218). Therefore, I completed the proper institutional review board procedures at my home institution as well as at all participant institutions that required such authorization (Appendix C).

Data Collection

In the current study, data collection occurred during intensive fieldwork, defined by Patton (2002) as the “circumstance of being in or around an on-going social setting for the purpose of making a qualitative analysis of that setting” (p. 262). To properly record, describe, and interpret data collection during fieldwork, I took field notes that contained participants’ observations and comments as well as my own reactions and reflections. As advised by Merriam (2009) and Patton (2002), these two categories of notes were kept separate within all field notes document. Additionally, as suggested by Patton (2002), I aimed to produce field notes that had “thick, deep, and rich description” and quoted participants as appropriate (p. 331). Finally, I digitally recorded interviews and observations as permitted by the study’s participants (Patton, 2002).

To ensure consistency throughout the case study, I used protocols, defined by Creswell (2008) as “forms designed and used by qualitative researchers to record information during observations and interviews” (p. 233). Protocols lay out a step-by-step research process that increases the likelihood of case replication, which is, as Yin (2009) adds, “essential if you are doing a multiple case study” (p. 79). Additionally, case study protocol significantly increases the reliability of a study, which is further addressed as part of the research trustworthiness section at the end of this chapter. The case study protocol for the current study is located in Appendix B, and included the case study’s purpose and research aims, and an outline of data collection guidelines, methods of analysis, and procedures for ensuring trustworthiness and protection of participant rights (Yin, 2009). Finally, as part of the case protocol, I employed three data collection techniques - participant interviews, document analysis, and direct observations (Patton, 2002). Together, these three techniques laid the foundation for an in-depth and holistic multiple-case study approach.

Participant Interviews

Creswell (2008) defined one-on-one interviews as “data-collection process in which the researcher asks questions to and records answers from only one participant in the study at a time” (p. 226). Similarly, Yin (2009), argued that interview data collection is “one of the most important sources of case study information” because the strategy has the potential to provide data to the researcher that he or she might not otherwise have the capability of capturing during the study (p. 106). However, to maximize this data collection strategy, it is important for the researcher to ask the right questions and control the flow and type of data collection while also creating a receptive atmosphere where participants feel comfortable sharing their observations and experiences (Creswell, 2008).

Qualitative researchers often times use a semi-structured interview approach to negotiate a balance between the need to follow the protocol and maintain an open-ended format that allows the participants to add their own perspective (Creswell, 2008; Patton, 2002). Patton (2002) and Yin (2009) noted that this type of interview is advantageous because it maintains the same pattern of questioning during all interviews, which increases the research study's reliability, and also provides participants with opportunities to articulate their thoughts without restricting their answers. Lastly, it is critically important that researchers remain mindful that interview data are always biased and represent the participant's viewpoint and perception of reality.

Before I commenced participant interviews, the interview questions were field tested with a liberal arts college president who was not otherwise involved in the current study. I emailed the questions to the field tester, and I followed up with a phone call, providing the president an opportunity to share his feedback regarding the interview questions. The field tester's feedback did not result in changes to the final interview protocol (Appendix D). Additionally, in preparation for my fieldwork, I coordinated interview appointments with each participant at each case institution ensuring that arrangements were consistent among all three institutions. I communicated directly with some participants while I scheduled other participant interviews through participants' administrative support representatives by telephone and email.

Interview data in the current study were collected over a three month period. Based on Creswell's (2008) interview protocol and Merriam's (2009) interview guide, the current study used the participant interview protocol found in Appendix D. As noted, the interview was a semi-structured interview with 15 general questions about the participant's perceptions regarding the institution's adaptability, current state, and the participant's role in the institution. The interview questions were derived, in part, from Patton's (2002) outline of types of interview

questions, which include demographic, behaviors, sensory, behavior, and opinion and feeling questions. Additionally, as advised by Merriam (2009), I began each interview with the least invasive and controversial questions of the session. Finally, as Patton (2002) stated, each interview concluded with a catchall and open-ended question aimed at prompting any information the participant wished to share, but had not yet had the opportunity.

The interview protocol loosely regulated the interview process and provided a place for my field notes. Since the interview was semi-structured, the protocol served only as a plan, and the interview questions were not necessarily asked in the exact way in each interview. Additionally, I used probes to gain more insight into a listed topic and pursued entirely new areas of questioning not included in the guide (Creswell, 2008; Patton, 2002). This flexibility maximized the participant contributions to the data collection process.

As previously outlined, participant interviews took place during my fieldwork. Each interview began with individual participants completing a consent document that outlined the details of the study and their participation in it (Appendix E). As guided by Creswell (2008) and Yin (2009), the document provided a brief overview of the study including a rationale for institutional participation, duration and aim of study and fieldwork, potential disturbance from researcher presence, and results reporting and usage. Additionally, the informed consent portion of the document addressed protection of participant rights including right to refuse to participate, confidentiality and privacy (Yin, 2009). As communicated in the document, identities of both individuals and institutions were protected in the research study to ensure confidentiality. Finally, as an ethical measure, I committed to minimizing the disruption to the participant and committed to full disclosure and to reporting results fully and honestly (Creswell, 2008). After providing the proper permission to proceed, participants were asked to disclose demographic

information and to identify other participants who were well informed and equipped to provide insight into the case institution (Creswell, 2008, p. 219). I then contacted these additional participants and included them in the interview process as well.

While I aimed to conduct all interviews in a face-to-face format in the field with a planned duration of one hour, geographic and time constraints limited some participants' role in the study. Of the 30 participants, eight participated in phone interviews. More specifically, of the nine participants I interviewed at Colston College, I interviewed eight participants in person and on campus, and I interviewed one participant by phone since he was unable to be on campus when I conducted my site visit. At Payton College, I interviewed all participants in person and on campus with the exception of a board of trustees member, who was interviewed at his place of employment. Finally, of the 13 participants' interviews conducted and included in the current study's data analysis from Vilma College, I interviewed six participants by phone and I interviewed seven participants in person, two of whom were interviewed at Vilma College's former campus. The remaining in person interviews took place at a private location chosen by the participant.

Additionally, I digitally recorded and transcribed all interviews immediately following site visits with one exception. One participant's interview at Payton College was not digitally recorded due to a device malfunction. Instead, the transcription was based on my field notes in lieu of a recording. On average, interviews lasted 65 minutes with the shortest interview lasting 31 minutes and the longest interview lasting approximately 115 minutes.

Document Analysis

In addition to participant interviews and direct observations, a researcher can collect and analyze documents, which, in addition to providing new information, can substantiate other

forms of data, increasing the reliability of the study (Patton, 2002; Yin, 2009). Creswell (2008) broadly defines documents as “public and private records that qualitative researchers obtain about a site or participants in a study” (p. 230). Several researchers listed types of documents that can be of interest to the qualitative researcher: institutional records; memoranda and correspondence; official publications and reports; journals; written responses to questions and survey results, newspapers and mass media products, meeting agendas and minutes, calendar, notes, written reports of events, proposals, progress reports, internal records, and formal studies or evaluations (Creswell, 2008; Patton, 2002; Yin, 2009). Documents are often times a good source of information because they are free and available. However, researchers should be cautious of the specific conditions under which a document was produced including its accuracy, author, context, purpose, and scope (Yin, 2009).

Document analysis in the current study took place over a 10-month period. I selected documents based on their significance to the current study’s purpose. Initial document identification included organizational charts; strategic plans; board of trustee meeting minutes; board of trustees resolutions; cabinet meeting minutes, faculty meeting minutes; alumni board meeting minutes; course catalogs; opinion survey results; official institutional publications and press releases; admissions data; budgets and review of costs and revenues, and institutional profile and statistics. Additionally, I reviewed documents volunteered by participants before, during, or after fieldwork. I obtained necessary permission to use documents from identified document authorities. All documents were reviewed for their accuracy. Document collection and analysis took place throughout the study. Table 2 specifies the public and private documents I analyzed at each case institution.

Table 2

Public and Private Documents Analyzed, Listed by Case Institution

	Public Documents	Private Documents
Colston College	Faculty Handbook	Board of Trustees Fundraising Reports
	Course Catalog	
	Common Data Set	
	Website Information	
	Admissions Materials	
	990 Tax Return	
	Campus Map	
	Organizational Charts	
	Alumni Magazines	
	Presidential Memorandums	
Payton College	Charter and Bylaws	Board of Trustees Meeting Minutes Board of Trustees Meeting Presentation Board of Trustees Resolution Presidential Memorandum
	Faculty Handbook	
	Course Catalog	
	Common Data Set	
	Website Information	
	Admissions Materials	
	990 Tax Return	
	Campus Map	
	Organizational Charts	
	Alumni Magazines	
Vilma College	College Profile Information	Board of Trustees Meeting Minutes Board of Trustees Fundraising Reports Financial and Investment Committee Reports Presidential Memorandums Faculty Meeting Minutes Education Policy Committee Meeting Minutes
	Course Catalog	
	Tax Information	
	Alumni Magazines	

Faculty Handbook
Common Data Set
Admissions Materials
Campus Map
Organizational Charts
Proposed Budgets
Annual Audits
Accreditation Review Information and Reports
Charter and Bylaws

Colston College's private documents dated 2008 and 2013, Payton College's private documents dated 2009-2010, Vilma College's private documents dated 2006-2009.

Direct Observations

Direct observation, as defined by Patton (2002) includes “detailed descriptions of people’s activities, behaviors, actions, and the full range of interpersonal interactions and organizational processes that are part of observable human experience” (p. 4). Observation provides the researcher an opportunity to collect data and to understand the context in real time without being dependent on others’ perceptions (Creswell, 2008; Patton, 2002). This technique adds valuable data to the study when the researcher observes things that participants do not notice or are reluctant or neglect to articulate in participant interviews (Patton, 2002).

As part of the overall data collection strategy for the current study, I visited each institution and spent between three and four days on each campus collecting data through informal observation. During each campus visit, I interviewed participants, walked the campus grounds, dined in the cafeteria facilities, and investigated the surrounding neighborhoods and community. In accordance with Creswell’s (2008) research, I utilized the observational protocol represented in Appendix G. Observational protocols, as described by Creswell (2008), divide researcher field notes into two columns with one reserved for a description of activities and one

reserved for the researcher's reflections about his or her observations. Together, participant interviews, document analysis, and observational notes provided data for in-depth analysis.

Role of the Researcher

Since the researcher acts as the primary research instrument in qualitative research designs, special consideration is given to a researcher's role as well as his or her inherent bias and limitations (Merriam, 2009). A nonparticipant observer role is defined as one that works in the field and collects data without engaging in the happenings of the study's participants (Creswell, 2008). In this role, the researcher is perceived as an "outsider" (Patton, 2002, p. 331). In short, this type of role helps protect a researcher's objectivity and minimizes the disturbance caused by his or her presence in the field (Merriam, 2009; Patton, 2002).

For these reasons, it was most appropriate that I took on a nonparticipant observer researcher role in the current study. I fully disclosed the study to each participant at the beginning of participant interviews (Patton, 2002). Additionally, to continually consider my own bias and limitations, I maintained an attitude of "reflectivity" and "reflexivity" throughout the study (Patton, 2002, p. 331). As mentioned, I kept field notes, remarking separately on descriptions of observation and my own interpretation and perspective of those observations. Triangulation strategies discussed below also helped limit the role of researcher bias.

In the interest of full disclosure, I divulged my initial interest in the study, which further explains my researcher perspective before the study commenced. My interest in the study is both experiential and research-based. I earned a bachelor's degree in 2006 from a liberal arts college, value liberal education, and maintain a research interest in liberal arts colleges and education throughout my academic career. Additionally, I disclosed my bias regarding the current study's findings before the study commenced. I anticipated that the findings of the current study would

focus heavily on institutional constituents' perceptions of leadership. To account and control for this researcher bias, the current study used multiple data sources, one of which was participant interviews that investigated several areas of each institution including, but not limited to, leadership and constituent perceptions of leadership.

Data Analysis and Interpretation

The purpose of data analysis is to organize and interpret data collected in the study and generate a "larger, consolidated picture" (Creswell, 2008, p. 245). However, this task proves to be quite difficult for most researchers since there is no one agreed upon process for qualitative data analysis (Creswell, 2008; Yin, 2009). In fact, Yin (2009) says, to a large degree, "much depends on an investigator's own style of rigorous empirical thinking, along with the sufficient presentation of evidence and careful consideration of alternative interpretations" (p. 127). Still, researchers suggest several general guidelines for organizing and analyzing data, many of which were utilized in the current study (Creswell, 2008; Merriam, 2009).

In a broad sense, qualitative data analysis is iterative, inductive, and intensive (Creswell; 2008; Patton, 2002). An iterative collection and analysis process indicates that these two stages are recurring and that the researcher uses one to inform the other throughout the study.

Additionally, the process is inductive in nature since the researcher moves from a large amount of quite specific and detailed information towards a few overarching themes and patterns (Creswell, 2008; Patton, 2002). Finally, good qualitative research and specifically case study research, is holistic and intensive, giving attention to the entire unit of analysis and its multiple contexts and sources of data (Merriam, 2009; Patton, 2002).

More specifically, the most popular form of data analysis is known as "content analysis," defined by Patton (2002) as "any qualitative data reduction and sense-making effort that takes a

volume of qualitative material and attempts to identify core consistencies and meanings” (p. 453). As Merriam (2009) noted, through this process, the researcher uses collected data to develop themes that inform his or her understanding of a study’s research questions. This process occurs at two levels in a multiple-case study: within case and cross case (Merriam, 2009). At both levels, there are two major phases to the approach – the descriptive phase, which includes transcribing, organizing, and coding; and the interpretative phase, when the researcher develops and compares patterns in the data and makes general conclusions about the research questions determining the significance of research findings and how findings might inform established theory (Patton, 2002).

In the descriptive phase, I organized and transcribed interview, observation, and document data. This process necessitated that I first reviewed the data multiple times and cultivated an independent understanding of each case (Creswell, 2008; Merriam, 2009; Patton, 2002). This process was accomplished by producing a written case record for each case institution, which was essentially an organized compilation of all data collected during the study for the specific institution (Patton, 2002). According to Creswell (2008), data collected can be organized by source type, site, or a combination of both. Further, Merriam (2009) stated the organization can be time- or topic-based. I made a judgment about organizational methods after data were initially reviewed and organized data based on topics that were reflected in the literature review and that appeared throughout the participant and document data. As Creswell (2008) advised, I kept duplicate copies of all forms of data. Data were stored on a secure computer and in a locked office during the study.

After I organized the data and developed each case record, I coded the data in the current study. Merriam (2009) defined coding as “assigning some sort of shorthand designation to

various aspects of your data so that you can easily retrieve specific pieces to the data” (p. 164). Researchers develop these codes or categories on their own or from participant or literature input. The codes should always mirror the study’s purpose, should be mutually exclusive, and comprehensive (Merriam, 2009). However, as Creswell (2008) and Patton (2002) described, the coding process is largely an interpretive one; coding and theme decisions are exclusively the researcher’s to make. In terms of process, Creswell (2008) suggested coding the documents in the left-hand margin and reserving the right margin for developing themes, the next step of the analysis process.

As mentioned before, I worked through an iterative coding process that determined what information fit together. After coding the data, I developed a master list of codes and grouped similar codes together (Creswell, 2008). These clumps of codes created the foundation for the study’s major themes that informed my understanding of the study’s central phenomenon. Through this process, themes emerged, which Creswell (2008) defined as “similar codes aggregated together to form a major idea in the database” (p. 252).

In interpreting these themes, I developed explanations regarding the study’s research questions as well as explained data divergence that contradicted the study’s patterns or themes (Patton, 2002). Additionally, I engaged in pattern matching, described by Yin (2009), as “one of the most desirable techniques” to use for case studies because it “compares an empirically based pattern with a predicted one,” which here was based in the theoretical framework outlined in Chapter I (p. 136).

Finally, in an effort to provide the most sophisticated level of data analysis and interpretation, I gave attention to the extent in which the study’s themes crossed over multiple data sources or perspectives (Creswell, 2008). The study’s findings were also interpreted with

respect to past studies, observations and reflections about the current study including the process and potential limitations, and future need for study expansion. And as Patton (2002) directed, I addressed the strength and consistency of the study's evidence, how it informed the study's purpose and research questions, and the extent to which the findings were useful in light of a specific purpose.

Research Trustworthiness

In any research study, the researcher is responsible for demonstrating that the study is conducted with meticulous attention to proper and ethical protocol and to protecting the trustworthiness of the study's results. The current study was inherently limited due to its qualitative design; limitations included issues of researcher bias, transferability restrictions, and imperfect validity and reliability of data sources and interpretation (Creswell, 2008; Merriam, 2009). As a framework for addressing and limiting issues of research trustworthiness, Lincoln and Guba (1985) outlined several strategies that ensure credibility, transferability, dependability, and confirmability in research findings. By employing these strategies and addressing issues of trustworthiness, I further substantiated the findings and reinforced the findings and significance of the study. In short, through these strategies, I assured the research community that the results are "worth paying attention to" (Lincoln & Guba, 1985, p. 290).

Credibility

The credibility test examined the likelihood that the current study's research findings were accurate and that I reported a credible explanation of these research findings. Creswell (2008) described credibility in terms of validity of findings, and Merriam (2009) described the test as posing this question: "Are investigators observing or measuring what they think they are measuring?" (p. 201). Lincoln and Guba (1985) listed several strategies that examine the

credibility of research findings; the current study employed the following: triangulation, member-checking, and prolonged engagement.

Triangulation. While qualitative research operates from the premise that reality is constructed and never objective, the research approach employed strategies that ensured “rigor, breadth, complexity, richness, and depth to any inquiry” (Denzin & Lincoln, 1997, p. 5). Creswell (2008) defined triangulation as the “process of corroborating evidence from different individuals, types of data, or methods of data collection in descriptions and themes in qualitative research” (p. 266). By reporting research findings that sprung from a diverse base of data collection sources, the current research study’s results were more credible (Patton, 2002; Yin, 2009). To create “converging lines of inquiry,” I triangulated three major data collection sources throughout the current study: participant interviews, document analysis, and direct observations (Yin, 2009, p. 115).

Member-checking. Member-checking is the “process in which the researcher asks one or more participants in the study to check the accuracy of the account” (Creswell, 2008, p. 267). Member checking confirms that the researcher’s interpretation of interview data is perceived in the manner in which participants intended it to be perceived (Creswell, 2008). To ensure accurate transmission of interview data, each participant was provided, via email (Appendix F), with a draft of interview data within 60 days of completing the interview. Interviewees were asked to respond with their feedback, which was incorporated in the final data analysis and interpretation process. Interviewees were also notified that failure to provide feedback within seven days resulted in drafts being finalized for data analysis. Eleven participants made minor adjustments to the wording of the transcript or corrected inaccurate figures reported in our initial interview;

13 approved the transcripts with no changes; and six did not respond to the request for validation or feedback.

Prolonged engagement. Lincoln and Guba (1985) argued that the researcher spending extended time in the field enhances the credibility of a study. This prolonged engagement provides the researcher with adequate time to build rapport, adjust to the settings, observe the culture and activity of the participants within the case, and ultimately achieve the purpose of the study. By engaging in extensive fieldwork at each case institution, I increased the credibility of findings and established trusting relationships with participants while minimizing my disturbance during a two to three day field experience at each site. Prolonged engagement allowed the newness and foreignness of my presence to wear off and allowed participants to become more comfortable sharing their observations with me. Consequently, results were more accurate.

Transferability

The transferability test assessed the extent to which the current study's research findings can be extended to other settings (Lincoln & Guba, 1985). Merriam (2009) and Yin (2009) refer to this test as an assessment of external validity. As mentioned before, qualitative research results are not statistically generalizable due to the nature of the research design and to purposeful sampling strategies. However, I employed strategies that increased analytical transferability, which Yin (2009) stated enables the researcher to generalize "a particular set of results to some broader theory" (p. 43).

These strategies include the use highly descriptive data and multiple cases of analysis. A theory is tested by replicating research findings among several cases or by demonstrating a hypothesized difference among cases. In short, the researcher can also enhance transferability by confirming data convergence and by addressing "rival explanations" (p. 133). These strategies

substantiated findings so that they were applicable to other contexts and to the theoretical framework addressed in Chapter I.

Confirmability

The confirmability test assessed my skill to conduct the current study in an unbiased manner (Lincoln & Guba, 1985). Confirmability is best enhanced by a researcher's commitment to being as reflective and reflexive as possible throughout the research study. A reflexive researcher is someone who "openly discusses his or her role in the study in a way that honors and respects the site and participants" (Creswell, 2008, p. 485). By maintaining a nonparticipant observer role throughout fieldwork in the current study, I protected my ability to be neutral and objective. Further, through the extensive use of field notes, I reflected on my own predispositions and attempted to control personal bias throughout the study.

Dependability

The dependability test assessed the consistency of results. Merriam (2009) and Yin (2009) described this test as a verification of reliability of results. Reliability and consistency are best assessed by the "extent to which research findings can be replicated" if the study were to be repeated (Merriam, 2009, p. 205). Dependability of results is particularly challenging in qualitative research because human activity and environment are ever changing (Merriam, 2009). However, there are strategies that can enhance dependability of findings even in qualitative research designs.

Strategies that increased the current study's dependability included the use of case study protocol, development of a case study database, an audit trail, triangulation, and maintaining transparency (Merriam, 2009; Patton, 2002; Yin, 2009). The use of a case study protocol (Appendix B) operationalized the procedure creating an easily replicable step-by-step guide. The

case study database ensured that all documentation – interview data, documents, observational data, and field notes - remained organized and consistent throughout the research study easily outlining an audit trail for potential reviewers (Yin, 2009).

Finally, the prominence of the researcher's role in qualitative research also presents obstacles to a study's dependability. The researcher may interpret results differently than another researcher, participants may respond to the researcher differently than they would to another researcher, and researcher perceptions and biases might affect a study in different ways. To help control for these researcher specific effects, I depended heavily on maintaining a reflective and reflexive approach to field notes throughout the study, acknowledging my biases in an effort to control for their impact on the study.

Chapter Summary

Patton (2002) listed several principles of qualitative inquiry that highlight the strategies used in the current study's overall approach. The design was based on naturalistic inquiry that required me to collect data in the participant's ordinary environment and remain open and flexible during the process. A purposeful sample focused the study's sample so data collection was intensive and thorough. Additionally, I collected and consulted data from multiple sources when I identified the current study's themes and developed interpretations about how those themes addressed the current study's research questions. I remained as neutral as possible throughout the process. Finally, data were analyzed with a contextual lens that gave attention to the environment in which each individual case existed. Throughout the study, I ensured that the study followed a thorough process that led to trustworthy results. While the chapter outlined the research protocol for the study, I respected the emerging process that is characteristic of

qualitative research, and adjusted the study based on participant feedback to maintain a participant-focused study (Creswell, 2008, Patton, 2002; Yin, 2009).

CHAPTER IV

FINDINGS

The current study's purpose was to understand how private liberal arts colleges adapted during the Great Recession of 2007 by examining institutional changes at three private liberal arts colleges and their effects on the institutions' operations. To fulfill this purpose, the study was guided by four process-focused research questions, which were appropriately addressed using a qualitative multiple-case study approach. The research questions that guided the study were:

1. What external environmental pressures influenced the liberal arts colleges during the Great Recession of 2007?
2. What adaptive strategies did the liberal arts colleges employ to respond to the external environmental pressures during the Great Recession of 2007?
3. How did the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007 affect their operations?
4. How did institutional constituents perceive the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007?

The following chapter provides a brief overview of the data collection and analysis processes used in this study, followed by an in-depth report of the findings. The findings of the study are presented in two sections. The first section provides an institutional profile of each case, which includes a detailed overview of each institution's characteristics, its pre-recession status, and its operations and adjustments during the recession. The second section of the

chapter's findings analyzes the themes presented across case institutions as they relate to the current study's research questions.

Data Collection

I deemed a qualitative multiple case-study approach to be the most appropriate investigation method for the current study. In an effort to draw on several types of data sources, a strategy Merriam (2009) and Yin (2009) referred to as a distinctive feature of case studies, data collection in the current study included three information bases: participant interviews, historical documents, and observational notes. While I collected historical document data during a 10-month period, I gathered interview and observational data for the current study during a concentrated twelve-week period in January, February, and March of 2013.

I interviewed 31 participants in the current study; however, one participant from Vilma College withdrew citing confidentiality concerns. Therefore, of the 30 participant interviews I collected and analyzed, nine were from Colston College, eight were from Payton College, and 13 were from Vilma College. I selected participants associated with Colston College and Payton College because they served as a board of trustees member, a president, a cabinet member, or a faculty member at their respective institution at the time of the current study's fieldwork. Additionally, I selected participants associated with Vilma College because they served as a board of trustees member, a president, a cabinet member, or a faculty member for some period of time between 2006 and 2011.

During each interview, I asked the participant 15 open-ended questions listed in the interview protocol (Appendix D). When necessary, I followed up participants' answers with probe questions to encourage them to elaborate or clarify their responses. I recorded and transcribed interviews immediately following site visits with one exception. One participant's

interview at Payton College was not digitally recorded due to a device error; I substituted my field notes in the recording's place. All interview transcriptions were provided to participants for review and approval; 11 participants made changes, 13 gave their approval without changing the document, and six did not respond to the request within the specified timeframe. To protect participants' identity in the study, I denoted participants by their case institution number and institutional role.

As mentioned, documents associated with all three case institutions were collected during a 10-month period. These documents included both public and private documents, some of which were provided to me by participants; examples of public documents included institutional catalogs, campus maps, faculty handbooks, vision and mission statements, strategic plans, common data sets, charters and bylaws, and tax returns, and examples of private documents included board resolutions, faculty meeting minutes, board of trustees meeting minutes, internal documentation, and accreditation review information.

Finally, I conducted a multi-day campus visit at each case institution. During each visit, I conducted participant interviews, used the institution's facilities, investigated the surrounding areas and neighborhoods, and walked the campus grounds, gathering observational data that corroborated interview and document data regarding the nature of the institution's campus and operations. Together, participant interviews, document analysis, and observational notes provided data for the study's in-depth analysis.

Data Analysis

The analysis process in the current study occurred at two levels: within case and cross case (Merriam, 2009). At both levels, I included a descriptive phase, which focused on transcription, organization, and codification of data; and an interpretative phase, which focused

on the development and comparison of patterns in the data and the analysis of themes and how they informed the current study's research questions (Patton, 2002).

After transcribing interview data and reviewing document data and observational notes in the descriptive phase, I produced a case record for each case institution, which was essentially an organized compilation of all the data collected during the study related to each specific institution (Patton, 2002). After creating a holistic description of each case, I engaged in the process of coding data and developing themes to produce a comparative analysis of all three cases. Merriam (2009) defined coding as “assigning some sort of shorthand designation to various aspects of your data so that you can easily retrieve specific pieces to the data” (p. 164). I electronically coded data by color coding participants' transcripts and copying data into categories that I developed after my initial interviews and campus visits and after review of the transcripts, documents, and research questions. Once categorized, I subdivided data creating more specific focuses depending on the richness and depth of the information in each category. These clumps of codes and categories created the study's major themes, which Creswell (2008) defined as “similar codes aggregated together to form a major idea in the database” (p. 252). This process continued until no new ideas or themes appeared when reviewing transcripts, documents, and notes. At this point, which Creswell (2008) referred to as the saturation point, I moved from developing themes to interpreting the identified themes. In interpreting these themes, I developed explanations regarding the study's research questions as well as explained data divergence that contradicted the study's patterns or themes (Patton, 2002).

Profile of Case Institutions

Colston College

Colston College was a four-year, liberal arts, residential institution affiliated with a mainline Protestant and Evangelical Christian denomination. The privately operated institution was governed by a 42-member board of trustees, which included three officers; 10 church representatives, five of which were required to be clergy and five which could be laity; 25 at large members; three ex-officio members; and one faculty representative. Prior to 2008, all 10 church representatives were required to be clergy. Ex-officio position holders on the board included the acting bishop of the denomination's region, the acting administrator of the denomination's region, and the president of the institution. The ex-officio members and faculty representative did not have voting power on the board. The institution's charter stipulated that no less than 50% of the board was required to be Colston College alumni and a term limit of two- to six-year terms was imposed on board of trustees members. Officers only served for three-year terms, but the board held the authority to negotiate extensions. Recommendations for potential board of trustees members originated with the board's executive committee and required both the general board and the denomination's governing structure's approval. The institution employed 192 staff and administrators. According to the institution's organizational chart, Colston College's cabinet consisted of the president, the dean for institutional advancement, general counsel, the chief information officer, the chief communications officer, the provost, the chief financial officer, the dean of students, the vice president for enrollment, and the executive vice president for strategic initiatives. In some cases, one administrator filled more than one cabinet role at a time.

Colston College was originally founded in the late 19th century by a minister for the purpose of providing primary and secondary education. Within five years of its founding, the church purchased the school and moved it to a central location within the state. Within the next

few decades, the school shifted its focus to higher education, dropping its primary and secondary operations and renaming itself after a respected bishop in the church. Two smaller in-state institutions within 90 miles eventually merged with Colston College.

Located in a suburban area of approximately 60,000 people, the institution was less than 40 miles from the state's capital. Colston College was located in a newer looking area of town near the community's downtown district. There were two other institutions of higher education in the immediate community. As I observed, Colston College's 175-acre campus sprawled in its medium-sized community and was located in close proximity to the interstate and main corridor through town. Its main buildings included its student life center and athletic complex, both of which were recently constructed; its chapel; its physical sciences center; and its new commercial apartment complex.

The college's vision, mission, and purpose pointed to its role as a national figure in liberal arts that offered a curriculum and education that was traditional but relevant. Colston College maintained a heavy focus on the role of engaged learning as part of the educational experience. Colston College was also focused on development of the whole person and used words like service, fulfillment, and the world community. Participants characterized the institution as a "college of individuals," "eclectic when compared to others," and "crunchy." One faculty member stated that the institution was "focused not only preparation of students for careers, but also [aimed] people in the direction of self-understanding, of knowing who they are as they go and face whatever tasks the world has to offer."

Colston College offered a bachelor's degree in arts, a master's degree in accounting, and 10 pre-professional programs. Majors included: accounting, allied health, American studies, art, biochemistry/molecular biology, biology, chemical physics, chemistry, classics, computer

science, creative writing, economics, economics and business, environmental studies, English, literary studies, film studies, French, German, history, interdisciplinary studies, kinesiology, mathematics, music, philosophy, philosophy and religious studies, physics, politics, psychology, religious studies, sociology/anthropology, Spanish, and theatre.

Colston College required several experiences beyond a student's major requirements for successful completion of a degree. More than one fourth of a student's course requirements were fulfilled through core courses in humanities, natural sciences, and social sciences. In addition, Colston College required demonstrated proficiency in writing, quantitative skills, and physical activity. All students at Colston College were required to complete a shared freshmen course and weekly seminar as well as a senior seminar. And finally, and perhaps most notably, Colston College required all students to participate in at least three engaged learning activities during their educational experience, which included areas like study abroad, research, internship, service, or something else that was experiential in nature. Colston College also provided domestic and abroad off-campus courses that were sponsored by either Colston College or by another consortium institution. Colston College also advertised a host of exchange programs and travel opportunities.

Colston College's total enrollment in the fall of 2012 was approximately 1,380 students. The institution advertised that it admitted students without regard for race, color, gender, age, disability, religion or national origin, or financial status. Several factors were reviewed when considering admission, including personal motivation, competence, potential, and character. Less than half of the institution's enrollment came from within the state with the vast majority of out-of-state students coming from one of the institution's contiguous states. One hundred percent of students at Colston College received some form of financial aid. In 2010, the institution awarded

27.1 million dollars in institutional aid.

Colston College housed more than 80% of their students on campus in 19 residence areas, which include traditional dorms, apartments, and houses. Colston College prioritized student life and involvement at the institution, and provided numerous outlets for engagement with more than 80 student organizations, all of which were seen as integral to the learning experience. Colston College had 21 varsity National Collegiate Athletic Association (NCAA) Division III sports teams and a host of intramural sports. There was no Greek life program at Colston College, which several participants noted as a distinctive feature and point of pride for the institution.

Colston College's faculty were made up of 109 full-time tenure track professors, the vast majority of which held terminal degrees in their field of expertise. Additionally, the college employed 52 adjunct professors. With a small enrollment, class sizes were seldom more than 20 and the faculty-student ratio stayed low at 11:1. Colston College's faculty exercised self-governance to achieve the college's mission and held broad authority over academic matters. Colston College's faculty were responsible for 16 standing committees. Three participants noted the caliber of the faculty as a foundational piece of the institution.

When asked, "What makes [Colston College] distinctive?," almost every participant defined Colston College's distinctiveness in its engaged learning program, which was named, branded, and marketed as the institution's capstone program only 10 years prior to the current study's fieldwork. The vice president for enrollment described the program particularly well when she said:

[Our engaged learning program] has just been a phenomenal transformational program for the institution. It has really launched [Colston College] to a national level in ways that it had not been before. Not only do we consider ourselves, but we've been recognized by numerous other colleges as well as individuals through the industry, as a real leader in

engaged learning.

Several participants also noted the positive nature of national publicity and recognition the institution gained as a result of the program's success.

Pre-recession profile. In the early 2000s, a newly hired president at Colston College identified two paradigm-threatening, external pressures in the institution's immediate environment: a change in the state-funded scholarship program that left Colston College at a recruiting disadvantage for in-state students and the creation of an honors college endowment at the state's flagship university, which created new or accelerated competition within the state. With these two new threats, Colston College's enrollment hovered around 1000, which, according to participants, was the highest enrollment the institution had ever been able to achieve up to that point. Colston College's new president brought a new vision and the institution's leadership made, what they believed to be, necessary changes to respond to these external threats. The dean of students described this changing time at the institution this way:

The new president came in with the understanding that they had to innovate and be different and they could no longer be this great school where you just count on people to drop in your lap. You had to be on the larger stage, you had to go out and do something. And now, we have a national reputation, at least, for being innovative.

A distinctive new program. Colston College's national reputation for being innovative was built largely on a program that was set in motion in the fall of 2003 when the new president presented a groundbreaking curricular idea to the faculty and challenged them to appoint a committee to flesh out the details with the provost. The committee convened and brainstormed, solicited the general faculty's feedback, surveyed students, and consulted market research data and reports. The end product was a program that required students to participate in a specific number of out-of-classroom experiences that spanned over at least three areas of focus. The program also provided students with a transcript documenting their engaged learning experiences

and recognized incoming freshmen that had already engaged in experiential learning projects before attending the institution.

As many participants pointed out, one reason the program was so successful was because many of the experiences in the new formalized engaged learning program were already being taken advantage of on a regular basis by students who voluntarily participated in them. The new program, however, made the experiences a requirement for graduation. Participants described this process as one that “simply codified what we were doing for a long time” and “labeled activities that were available on a voluntary basis.” Perhaps most articulately, the vice president for enrollment said the program was a success because it was “truly already in the fabric and fiber of this place.”

In addition to the program already being part of the institution’s identity, several participants also attributed the success of the program to the way by which it was developed and implemented. In a general sense, the program was developed through an initial presidential vision that was supported by the board of trustees and articulated persuasively at a faculty meeting in 2003. The president challenged the faculty to develop a program that was distinctive on a national level and true to the institution. The broad vision was given to the faculty who then developed the specific curriculum and the identity of the program. The faculty committee incorporated faculty feedback, student surveys, and consultant research into their program plan. Once formalized, external relations and admissions representatives traveled to targeted areas and explained the new program to prospective parents and students. In addition, the institution financially supported the program with budget dollars and new private gift revenue. In fact, at the time of the current study’s fieldwork, significant portions of the budget as well as

endowments supported student activities and faculty involvement in these experiential learning opportunities.

More specifically, participants noted the president's persuasive "visionary speech" and the way the faculty "just moved it forward in less than a year" with "tremendous investment of time and enthusiasm" when they described the strengths of the process of adding the new program. Additionally, a cabinet member noted that the implementation of the program marked a point when "we worked so closely with the faculty in a new way," and a faculty member noted that the program was a tremendous success because "alumni and trustees really put their money where their mouth was to help get this thing off the ground." In short, the program was viewed as a success because each constituent group perceived itself as having a meaningful role in the process and valued the roles of other constituent groups in the process as well. One faculty member described it this way:

That's been one of the really positive things about the president. He picked up on the trends and stimulated the faculty into action to come up with what wound up being [the engaged learning program]. He laid it out as a goal, and the faculty came up with the program. He provided the stimulus and the trustees agreed with him.

Value realignment. Equally as transformational as and interrelated with the engaged learning program was the implementation of the institution's cost restructuring plan. The institution and its consultants saw the expansion of Colston College's engaged learning program as an opportunity to realign the institution in the marketplace. So, Colston College increased tuition, the discount rate, and enrollment all within five years of the program's kickoff. Noting the innovative and unexpected nature of this approach, the interim president and dean for institutional advancement described it this way:

We are very, very atypical from what most of our peer institutions have done in the last five or six years, which has actually accounted for most of our growth and our increased net revenue. We went on a very intentional pricing repositioning platform about seven

years ago. The data said that we could do better in the market if we increased our price significantly because the quality of what we were doing here wasn't represented in the eyes of the marketplace in terms of our price. The information demonstrated that we could afford to do that by discounting back significant portions of the increased amount while still, because of the incremental increase in enrollment, still increasing overall net revenue for the college and increasing net revenue per student, but not as fast as you otherwise would see it. And that's what we did and it was scary and it worked.

Impressively, after implementing the value alignment, the institution's enrollment grew by 40% in less than 10 years, and surpassed their goal five years ahead of schedule while also maintaining and slightly increasing the level of the incoming class' academic profile.

Since 2006, Colston College has received ranking accolades from *U.S. News & World Report*, *Princeton Review*, *Fiske*, and *Colleges that Change Lives*. Additionally, national publications intermittently chronicled the institution's trajectory during the last decade.

In the context of the recession. Colston College experienced record high enrollment levels before and during the recession and the size of its student body increased by nearly 40% in less than 10 years. The institution also increased its net revenue by more than 45% since the recession's start. Additionally during this time, the enrollment demographics shifted from a majority of in-state students to a majority of out-of-state students as a result of the implementation of the new engaged learning program and the value realignment. Further, throughout the recession, Colston College passed only a small portion of its tuition increase on to its students. Colston College also provided additional financial aid on an ad hoc basis to students with extenuating circumstances caused by the recession. A financial review committee made up of faculty and staff reviewed special cases and provided additional support to specific students who demonstrated dire financial challenges.

New athletic programs. During the recession, the board of trustees and the administration made a decision to institute men's football and women's lacrosse programs as varsity sports at

the institution. The decision will be fully executed in the fall of 2013. According to official board documents posted on the institution's website, the board's decision stated that their analysis indicated that a football program "would support the efforts of [Colston College] to increase the size, quality and diversity of its student body" and would "protect recent enrollment gains, faculty additions, and enhancements to faculty salaries made possible by these enrollment gains in a time when the number of college-bound students is projected to decrease in [the state] and across the nation." A cabinet member at Colston College described the strategy this way:

We considered [it] a small first step, but necessary, to help us increase the overall enrollment. Football in and of itself, along with the women's lacrosse offering on the ladies' side, was an effort for us to take, in a short period of time, advantage of an opportunity which would allow us to increase our enrollment in a way that no other initiative could have provided.

To facilitate the institution of these programs, the college approved a multi-million dollar capital project that expanded its athletic facilities and enhanced the overall complex available for athletes participating in all sports. The ongoing costs of these additional sports included additional personnel and investment in equipment. However, participants stated that preliminary analysis indicated that the sports would pay for themselves, and even generate revenue, if established recruiting goals were met.

Technology-based education. In addition to a continued prioritization on the institution's newly branded engaged learning program, Colston College also prioritized the broadening of technology-based educational tools and the investigation of online education. According to Colston College's chief information officer, the institution established his cabinet level position in 2011 with the charge "to surface new ideas and ways that we can run the organization more efficiently" by "making sure that we are marshaling technology dollars and resources in the most

economical fashion to fulfill the [institution's] mission.” Colston College’s chief financial officer described the institution’s perspective of its new technology-based approach this way:

Because of who we are and where we are, there is a certain type of online education that fits our mission. We’ve developed certain technologies using platforms that are available that deliver a high equality classroom experience[s], which we see potentially allowing us to partner with our schools, both in our peer groups and on a national level, where there may even be other areas that we haven’t touched on yet where there would be a product that really fits the mission of [Colston College].

More specifically, the institution investigated the use of and began offering online courses. It also looked at partnerships with schools in its consortium to deliver courses between institutions that would alleviate the need for additional faculty resources.

Campus renewal. In the middle of the recession, Colston College also released bonds to fund two major capital initiatives: a student life and technology center and a wellness center. Additionally, the institution built a new urban village, which was described by the chief financial officer as...

...a residential-commercial development of property that the college had owned for years. What has developed is a core commercial area. It consists of two commercial buildings with commercial retail on the first floor and then the college owns three floors above for student housing.

All three projects were funded through a combination of private gift revenue and bond issues.

These capital projects were cornerstones of the institution’s capital campaign. A 2008 presidential memorandum noted the board of trustees’ approval of the construction of the student life center.

Balanced approach. Participants indicated that the institution’s fiscal management approach to the recession was a balanced approach, focused both on increasing revenue and decreasing costs as much as possible while giving special priority to protecting the quality of the

product provided by the institution. The dean of students described the institution's priority to quality this way:

When schools get tight, you got to be innovative, but you [have] to be careful not to cut your nose off to spite your face, to be able to make measured decisions. If you make anything too dramatic, you can send folks into a panic and question the stability of the college. I'm really proud of [Colston College] because we didn't have that. We were growing at a time when everybody else was having trouble and the reason is that commitment to the student experience.

Institutional concerns. Most participants pointed to the institution's success in implementing its engaged learning program before the recession and approaching cost containment and revenue generation from a balanced stance as the institution's biggest successes throughout the recession. Institutional concerns at the time of the current study's fieldwork included lowering the endowment spend rate, the need to broaden the resource base and build the endowment, and the problem of self-selection among applicants. With specific regard to the endowment spend rate, a cabinet member pointed to both the need to reduce the rate and the increased pressure the reduction will create on the need to increase private fundraising to support operational activity. He compared Colston College to its peer institutions, stating:

I can say that our draw [on the endowment] is at the higher end of the norm and we even saw that in reviewing most recently with our peers that they have dropped their endowment draws faster than we have. So we've been slow in bringing our endowment draws down, and as a consequence, we're being challenged now to reduce our draw going forward.

In addition to multiple interviews that confirmed the institution's spend rate was too high, document analysis also indicated that Colston College depended more heavily on annual fund dollars to balance its budget than three of its benchmark institutions. According to private fundraising documents provided by Colston College, the institution's annual fund contributed just above 2.5% of its total annual revenue. However, trustees' giving to the annual fund was higher at Colston College than at its two peer institutions, which the interim president and dean

for institutional advancement found to be encouraging, but lower to capital projects and the endowment, which was not seen as an ideal situation.

Additionally, participants were concerned with the need of the institution to continue innovating to meet the challenges in its external environment. A faculty member described the institution's situation this way:

We're back at that point now but certainly not as desperate as it was. Market research [says] that we've kind of plateaued again. There is a sense that it is time to innovate some more. You got to kind of keep ahead of the curve if you can. You can't rest on the laurels, you always having to be having one more capital campaign. You have to keep innovating and keep up-to-date and good, strong programs.

Payton College

Payton College was a four-year, liberal arts, residential institution affiliated with the same mainline Protestant and Evangelical Christian denomination as Colston College. A 67-member board of trustees, which included six officers, seven ex-officio members, 34 active term members, and nine life members, governed the privately operated institution. Ex-officio position holders on the board included the acting bishop of the denomination's region, the acting administrator of the denomination's region, the president of the institution, the president of the alumni association, the president of the student government association, and the chairs of two standing faculty committees. Ex-officio and life members did not have voting power on the board. The institution employed 140 staff and administrators. According to the institution's organizational chart, Payton College's cabinet consisted of the president, the provost, the vice president for advancement, the vice president for finance and administration, the vice president for enrollment management, and the vice president for student development.

The institution's charter was one of the oldest liberal arts charters west of the Mississippi River and the institution was among the first 100 institutions of higher education founded in the

United States. Payton College's founding was wrapped up in the merging of a centrally located, in-state public institution with a private institution in the early 19th century. Eventually, at the turn of the 20th century, the institution was purchased by a Protestant denomination and moved to the periphery of the state. The organization paid 166 dollars for the institution. According to the institution's website, the institution's resident historian recalled that tuition in those days was 50 dollars plus the cost of room, board, and firewood. For more than five decades, the institution operated as an all-men's institution before becoming a coeducational college.

The institution was located in a metropolitan area of nearly half a million people in the northern part of the state. The area's economy was based in oil and gas, medical and biomedical schools and centers, and military operations. As I observed, the campus was situated near the area's downtown district in a historic neighborhood that was mixed with homes on the historic registry and dilapidated rental properties. The area also had pockets of high crime. Payton College's 65-acre campus was regarded as a historic cornerstone of the community, which was demonstrated by its Georgian architecture and longtime presence in the area. Its main buildings included its science hall, library, music building, playhouse, arts center, athletics arena, and its chapel. Payton College's fitness center, built in the 1990s, was the campus' newest building.

Particularly important to Payton College's location was the fact that there was not another institution like it in the state or within 200 miles of the institution. Three participants noted its regional distinctiveness in terms of its focus on liberal arts, its residential approach to education, and its level of academic rigor. One cabinet member framed this circumstance as an opportunity by saying, "We don't have another selective private institution within 200 miles of us, so we must maximize what we are doing."

The college's vision, mission, and purpose pointed to its role as a selective educational institution that sought to prepare students for their careers and their lives through liberal arts education, which included academic rigor in the curriculum and an engaged on-campus student life outside the classroom. The institution's guiding documents spoke to the priority of discovery, service, leadership, and the development of well-rounded individuals. When asked to describe the institution, participants noted these aspects of the institution: small, selective, old, private, and national. When probed, participants pointed to the commitment of the faculty, the frequency and rate of individualized attention in and outside of the classroom, and the institution's commitment to strong academics and personal development. One cabinet member described an educational approach that was "not necessarily tied to employment goals, but more tied to developing each individual student's promise."

Payton College offered two undergraduate programs, one in arts and one in sciences, with majors in art, biochemistry, biology, communication, biophysics, business administration, English, chemistry, economics, French, geology, history, mathematics, music, neuroscience, philosophy, political science, psychology, religious studies, sociology, and theatre. Additionally, the institution offered two graduate programs, one in teaching and one in business.

If one of the established 24 majors did not fit a student's interest, the institution allowed a student to develop a particularized major that was built from existing courses and fit their concentration. Acknowledging the importance of career preparation, Payton College also provided 16 programmatic opportunities, many of which were pre-professionally based, and three joint professional degrees in consortium with other institutions of higher learning. Finally, the institution offered internship opportunities; mentoring; domestic and abroad travel programs; and partnered with more than a dozen international organizations and institutions as part of its

exchange program. In a general sense, a Payton College faculty member described the curriculum this way:

Its academic focus and academic mission are grounded in a fairly traditional approach to liberal arts education, but it is not constrained by that; we have pre-professional programs as well. We have a more expanded version of what would have been called the traditional liberal arts 50 years ago.

Payton College required several experiences beyond a student's major requirements for successful completion of a degree. One third of a student's hour requirements were fulfilled through core courses, some of which were aimed at framing disciplinary content in the context of one of three specific global challenges in the modern world. The institution's faculty identified the modern day challenges studied in the curriculum. Additionally, students were required to complete an interdisciplinary freshmen course and senior capstone seminar; an intensive one-month study not normally offered through semester coursework and that usually occurred off campus, abroad, or in the field; and a three-armed experience that educated students through service learning, career exploration, and intercultural exposure.

Payton College's total enrollment in the fall of 2012 was approximately 700 students, although a faculty member stated that the enrollment as of March 2013 was closer to 600. The institution admitted students without regard for race, color, gender, age, disability, religion or national origin, or financial status. Several factors were reviewed when considering admission, including grades, test scores, leadership experience, service, and personal essay. While Payton College's president referred to the institution as "national," its enrollment at the time of the current study's fieldwork painted a more regionally-based picture. More than half of the institution's enrollment came from within the state, with the vast majority of the remaining students coming from one of the institution's contiguous states. A student was eligible to receive financial aid through federal and state support as well as private scholarships and institutional

aid. In 2010, the institution awarded 10.9 million dollars in institutional aid with 800 students for a discount rate of 61.1%. Finally, according to the vice president for enrollment management, the campus' international student population was approximately 2% of the total enrollment.

With a small enrollment, class sizes were seldom more than 20 and the faculty-student ratio stayed low at 11:1. While this was a "strength in the relationship," one cabinet member pointed out that "it [was] a weakness in the cost of operating." General consensus among participants was that the institution had not grown as fast as they hoped it would grow. In a general sense, the recruitment challenges Payton College faced centered on the affordability of the institution's education and finding a critical mass of students who were willing to pay for it. Payton College competed heavily with significantly cheaper in-state public options where higher education was subsidized by a state-funded scholarship program. Participants also discussed the challenge in articulating the value of their service and product to prospective students and parents. The enrollment challenges that faced Payton College's are discussed more in depth in following sections.

Payton College was a residential campus that housed full-time students in five dormitories. The institution recently launched a living learning community program that is discussed in depth later in this chapter. As part of the new program, the institution approved a policy that mandated on-campus living, which will be fully executed in the fall of 2013. Additionally, Payton College provided numerous outlets for student engagement. Payton College had 17 varsity and four club NCAA Division III sports teams. Student and religious life included student and residence hall government; Greek life with two sororities and five fraternities; honor societies, media and publications; special interest and academic clubs; and service opportunities. Students at the institution were described by a faculty member as "very involved with

opportunities to be multiply involved in leadership roles.”

Payton College’s faculty were made up of 90 members, 57 of whom were tenured, and the vast majority of whom had terminal degrees in their field of expertise. The president and a member of Payton College’s cabinet described the institution’s faculty as “a very rigorous faculty that prize teaching above all and are not going to compromise the standards or the quality of the education that they produce” and “extraordinary in their long-term commitment.” Payton College’s faculty handbook stated that the college endorsed the American Association of University Professors’ Statement of Colleges and Universities of 1966, which acknowledged the importance of shared governance among students (when appropriate), faculty, administration, and the board of trustees. The faculty coordinated seven standing faculty committees at Payton College and participated in nine institutional committees.

When asked, “What makes Payton College distinctive?,” aside from pointing to traditional strengths of small liberal arts colleges like faculty-student relationships and the commitment of the personnel to the institution, many participants struggled to identify Payton College’s distinctive features. One cabinet member noted, “Currently, the curriculum is pretty standard.” A faculty member discussed Payton College’s distinctiveness as something that the admissions office was focused on “sloganeering.” And while the president discussed the achievements and successes of the institution, he was also candid and honest and admitted, “We are probably not as distinctive from the other liberal arts college as we can or should be.”

Since 2006, Payton College has received ranking accolades from *U.S. News & World Report*, *Princeton Review*, *The Templeton Guide*, *Money Magazine*, *200 Colleges for Science*, *Forbes*, and *Peterson’s Competitive Colleges*. Additionally, national publications intermittently chronicled the institution’s trajectory during the last decade.

Pre-recession profile. In order to investigate how Payton College was affected by and responded to the most recent economic pressures of the United States' economy, it was necessary to first understand the institution's operations from a pre-recession perspective. In a general sense, Payton College's pre-recession profile was best defined as a seemingly active institution that was funded largely through budget overspending.

Overspending. At the beginning of the 2000s decade, enrollment at Payton College was, according to the institution's vice president for finance and administration, "hovering between 800 and 900 students" and the discount rate was between low and middle 60%. At that time, the institution had more than 40 academic majors and participated in NCAA Division I intercollegiate athletics, which came with steep operation costs, fees, scholarships, and travel expenses. Payton College enrolled between 200 and 300 athletes during this time, which made up approximately one third of the institution's total enrollment. As described by an Payton College cabinet member, put simply, Payton College's "financial aid was just phenomenal" across the board. As a result, the institution did not realize the net tuition revenue it needed to balance its budget. When asked to describe the institution's pre-recession situation, many participants started by saying things like: "the college was overspending for a decade before the recession" or "we were not operating off of a balanced budget" or "the college had run a 12-year deficit."

However, for many years, the problem of an unbalanced budget was disguised by a strong economy and a booming stock market that produced increased endowment earnings. A board of trustees member described the problem this way:

The stock market was queued up. We had a gigantic 20-year compounded growth rate for 10 years through the 1990s, which is totally unsustainable when considering the 100-year average is 10%. If you are earning 20% for a long time, you can't stay there, there is no way to sustain that, although at the time you don't believe it because it's just doing so

great and you want to live it. Because [Payton College] had not addressed some of its underlying weaknesses, we were spending two to four percentage points higher on the endowment than we should have depending on how off that year had been. We did this for somewhere between eight and 10 years. In a 100 million dollar endowment, every point is 1 million dollars. Instead of addressing the cost issues as fundamental issues, the 1990s delivered 20% returns, which allowed [Payton College] to overspend the endowment by two or four points and still have earnings left over, but the overspending becomes an issue in the next decade. We never got the enrollment we needed and never got the tuition rate. And then the recession hit.

So, instead of finding a balance between the costs and revenues of the institution, the institution compensated for the deficit by overspending its endowment spendable earnings. In short, instead of banking some of its excess earnings during high return times like responsible investment practices advised, the institution spent practically everything it made in endowment revenue. According to board of trustees meeting minutes from 2010, a review of the previous seven years' finances showed a cumulative deficit of more than \$25 million that was covered with endowment earnings.

It was also noteworthy that a participant acknowledged the board's oversight during these booming decades, but also noted that, due to Payton College's accounting practices and methods, increased endowment earnings masked the true deficit. He explained this by saying:

Another problem is that we have to use fund accounting for colleges and universities, which is not the same as what all of us in the business world use every day. It's a different kind of deal. You take your unrealized gains and losses out of your endowment and you plug them into your total return for the year. In other words, if you have 100 million dollars in your endowment and it goes up to 110 million dollars, that 10 million dollars goes into your profit and loss statement. So if you are losing 5 million dollars a year and you add 10 million dollars to it, you are plus 5 million dollars and everything looks great. But, what we didn't see, and should have seen but didn't, or to the extent that we thought we knew it, but it didn't strike us as urgent was that masking of that structural flaw. If we hadn't had the endowment, we would have had the proverbial come to Jesus meeting much, much quicker because we simply could not have paid our bills unless we had cut costs, more net tuition, or some of both.

Fundraising. Additionally, the vice president for advancement indicated that fundraising at Payton College grew dependent on "a very small group of select individuals" in pre-recession

times. A few million-dollar gifts were used to maintain the operations of the institution on an annual basis. Also noteworthy, shortly before the recession, the institution started a 100 million dollar comprehensive campaign with objectives that included raising money for the annual fund, endowed scholarships and professorships, programs beyond the classroom, and the construction of a science building. The campaign was ultimately called off during the recession after meeting less than 50% of its goal.

In short, Payton College was balancing its budget during pre-recession times through, what the president later labeled in a February 2010 board of trustees meeting as, “endowment overdraws” and “heroic giving” (Board of trustees meeting minutes, 2010, p. 3). But even given the volatile financial status of the institution, participants acknowledged that the institution, in pre-recession times, was vibrant and did not appear depressed. During this time, enrollment was decent even though students were attending at a significantly reduced cost and faculty and staff maintained their employment, benefits, and even saw raises during those years. As the vice president for enrollment management said, “On the surface things were very good.”

In the context of the recession. During the first year of the recession, amidst a search for a new president, Payton College’s board of trustees met and discussed the findings of a board subcommittee’s three-month review of the college’s financial situation. A board of trustees member recalled the decision to conduct the review this way:

So that’s when some of us on the board in the fall of 2008, when the market collapsed, having seen what happened in 2001 and having not really done anything about it since the market went up again and kind of bailed us out. And so in 2008, I and some of the others said we’ve got to do something because if this runs out for another couple three years we are going to be in real trouble. We were already in some trouble.

Ultimately, the findings led the board to develop a resolution with the aim of outlining the institution's approach to addressing its growing financial pressures brought on, in part, by the economic recession of 2007.

Board resolution. The result of their discussion was a five-point board resolution, passed in 2009, that was geared towards reducing the costs of the institution and increasing the student revenue. According to information presented in a May 2009 board of trustees meeting, these points included: (a) the approval of a fiscal exigency policy, (b) the establishment of the position of vice president of enrollment whose responsibility was to grow the student body to 1200 by fiscal year 2014, (c) a five-year budget increase for student life and the encouragement of "the completion of special projects such as residence hall renovation and the Greek Village," (d) the recommendation that the college "begin the process of restructuring its academic programs reducing the instructional budget, reducing the number of majors; and increase the student-teacher ratio to approximately 15:1..." and (e) the resolution that the college would leave its current athletics division and conference and pursue alternatives (slides 21 & 22). According to Payton College participants, this five-point resolution constituted the board's most radical move in the college's recent history. Additionally, participants indicated that the effects of the board resolutions changed the institution in a transformational manner. One cabinet member said, "In many ways, the board decisions have changed virtually every aspect of the processes on this campus."

Once in office, the new president's job was then to enact the board resolutions and set the institution on a financially sustainable path. The president immediately identified 3 million dollars worth of budget cuts necessary to balance the budget with a 5% spend rate from the endowment. The reductions included 1 million dollars in cuts over a one- to four-year period

from each of the following three areas: administration, athletics, and academics. While the president acknowledged that he was aware of the institution's dire situation before being elected president, he admitted that the "depth of the emotional impact of what it was going to take to correct the issues" was hard to foresee.

Administrative cuts. In an effort to carve out 1 million dollars from the administration's budget, the institution reduced its workforce by 25 staff members and nine faculty members, four of whom were tenured. Faculty members were eliminated by virtue of their respective programs being cut. Every member was offered a severance package based on grade and time of service, and faculty were given the option to appeal the decision. All four tenured faculty sought appeals, but none were granted. The process took a full year to execute, which prolonged the administrative transition. Participants regarded this as one of the most difficult and damaging moments of change for the institution, describing it as "brutal" and "painful by any definition."

Athletics cuts. The board fully enacted the transition of the athletics program from one division to another before the incoming president arrived. This issue, among all the points that the resolution addressed, proved to be the most contentious issue facing the board. After several months of internal meetings, discussions with conferences, and consultant analysis, the board finally held a several hour meeting that concluded with a vote. Before the vote was taken, the board read a letter from the incoming president, which urged the board to make a decision so the institution could move forward. The president and the board both agreed that if the institution waited to address the athletics issue under a new president, the process would be prolonged. A board of trustees member described it this way:

If he would had to have come in and lead that fight, it would have used up all his goodwill. So we used up all of our goodwill, and pushed and forced the decision, it needed to happen. It was an accomplished fact when he arrived, which was probably best.

The board finally voted to switch divisions two weeks before the institution's new president began his tenure.

The division shift did not necessarily save scholarship dollars since those costs were offset by game guarantee revenue, but it did save operational dollars associated with travel, salaries, and operations. The cuts were phased in so that everyone who had already had an athletic scholarship kept it until they withdrew or graduated from the institution. While participants acknowledged that many trustees and alumni did not support the transition, every participant said it was the right thing to do.

Academic cuts. In order to implement the board resolution and the president's directive to eliminate 1 million dollars from the institution's academic operations, the president charged the faculty to appoint a group of colleagues to restructure the curriculum. The president recalled:

The board resolution went straight to the faculty-student ratio and I reframed it as a capacity issue. Here's the money I think we need to get out of the academic side of the budget, here's the number of the students I think we need to be able to serve, you come back and tell us what the academic program should look like within those constraints.

The faculty committee was given enrollment and budgetary parameters and a very aggressive timeline for making changes. In a general sense, the guiding principle of the cuts was to create a curriculum that would "define church-related liberal arts education for the twenty-first century." One cabinet member noted that career-focused majors and areas of study that did not generate enrollment were least likely to remain in the curriculum. But, in a February 2010 board of trustees meeting presentation, the directive instructed that the changes should "confirm blended mission rather than pure liberal arts" (slide 10).

In order to complete the process, the leading faculty committee chair consulted with the president and recommended that a committee outside of the standing committee structure be charged with the restructuring of the curriculum. Ultimately, the ad hoc committee was

comprised of the chairs of all active faculty committees as well as divisional representation elected by the faculty at large. The restructuring process was implemented with the help of an interim provost who most participants regarded as exceptional. The faculty also asked that the entire process be confidential. Once the committee made its recommendations to the president, the president reserved the right to modify them before presenting them to the board. While the committee, in writing, acknowledged the restructuring process as “careful and consultative,” the general faculty chose not to formally vote or comment on the academic changes.

The result of the changes was a 50% decrease in majors, which then led to the termination of nine faculty members, four of whom were tenured, two of whom were tenure-track, and three of whom were not tenure-track. Some of the cut majors did not have students active in the program at the time of elimination, but some did. Like athletics, this transition was also phased in and all faculty members were retained as long as already enrolled students remained in the proposed eliminated programs. The institution eliminated 15 majors, which included accounting; ancient and modern languages; business economics; dance; elementary education; finance; health and exercise science; music education majors in instrumental and vocal; music performance majors in orchestral instrument, organ, vocal, and piano; music majors in sacred music and theory and composition; performing arts; physics; social studies; education and all other secondary education majors; and Spanish. The institution also eliminated five minors in accounting, business economics, energy management, finance, and health and exercise science; and three programs in German studies, health and physical education, and Latin.

It was important to note that, as part of the curriculum evaluation, Payton College’s administration analyzed the number of majors and the enrollment size of each of its peer institutions within its consortium. Payton College found that it offered the second largest number

of majors and had the lowest number of students per major in the entire consortium. The school with the highest number of majors in the consortium was more than 5 times bigger than Payton College. The school with the next lowest rate of students per major nearly doubled the rate of Payton College.

The entire restructuring process, according to 2010 board of trustee meeting minutes, was completed in less than 10 months with the faculty committee completing its work and making its recommendations to the president in less than six months. In fact, a March 2010 board of trustees resolution that finalized the academic restructure reiterated the need for continued swift action:

We support and encourage the president and faculty to work in as quick and deliberate fashion as practical to develop and implement the necessary structure and programmatic changes to the existing and future academic programs of the college to establish a distinctive and financially sustainable curriculum for the future. (p. 3)

However, participants commented on the rushed nature of such sweeping academic change at the institution as a negative aspect of the process that led to uncertainty and additional problems.

One cabinet member said that the institution was “changing more quickly than anyone is comfortable with.” Another cabinet member noted the fast-paced and ambiguous decision-making process this way:

Even in times of crisis, the board is pretty methodical about the way it goes about doing its business. I’d say everywhere else, it had the sense of being hurried. It’s not very often in the [time] that I’ve been here that I felt like we really deliberated effectively about that decision.

And finally, a faculty member described the process this way:

The process, we weren’t in control of that, it was much faster than we would have liked it, we knew that we were going to have unforeseen problems delivering it because we had to do it really quickly so we weren’t able to trace out a measure that said are we going to be able teach this way, do we have enough labor, there are going to be problems that we’ll have to iron out whereas if we’d gone slower, we’d figured it out.

Balanced budget mandate. On an institutional level, the president mandated a balanced budget, which had not been in place in prior years. By way of 3 million dollars of phased-in cuts and additional private giving, the institution compensated for lowering the endowment spending rate and the tuition discount rate. The institution balanced its budget with a reduced spend rate within a year of implementing the cuts. Additionally, the institution phased in depreciation budgeting into its annual projections. Creating a new culture of disciplined spending, participants said, was a long-term adjustment for the institution. The president described it this way:

The other important piece of that was to get into people's minds that this wasn't temporary; this was a resetting of the cost structure of the institution. It wasn't a hiring freeze, it really wasn't a layoff, it was a reduction in the cost structure of the institution. Everything we create today has to have a new justification.

Institutional concerns. While participants noted that the institution's biggest successes happened in its most recent adjustments, particularly in gaining control of the institution's spending rate and balancing the budget, participants also stated several concerns regarding the stability of the institution. These concerns focused on the need to generate a larger and more stable enrollment at the appropriate discount rate; the need to reduce the institution's overdependence on annual fund dollars to balance the operational budget so to avoid donor fatigue and move forward with capital fundraising; and the need for faculty and staff to get "on the same page" and "work effectively together." Finally, Participants also articulated concerns regarding the continued "draconian" nature of change at the institution. Finally, as a result of the curriculum changes, institutional participants' perceived the college as becoming more liberal arts-focused, which both encouraged and concerned participants. One faculty member described it this way:

With all these changes, it's a gamble, what's going to work. And, so what's distinctive about [Payton College]. One of the things is, and it also probably makes people happy

and nervous at the same time, is that this president has double-downed on the liberal arts.

Vilma College

For the purposes of the institutional overview, statistics and information are reported as they last existed in the 2010-2011 fiscal and academic years or as they were last reported in documentation made available to me during the current study's fieldwork.

Vilma College was a four-year, liberal arts, residential institution affiliated with the same mainline Protestant and Evangelical Christian denomination as Colston College and Payton College. Vilma College ceased to exist in 2011. A 24-member board of trustees, which included four officers, a twelve-member executive committee, and eight ex-officio members, governed the privately operated institution. Ex-officio position holders on the board included the acting bishop of the denomination's region and three additional denominational stakeholders associated with specific arms of the church, the president of the institution, an alumnus or alumnae representative, and the institution's general counsel. Ex-officio members did not have voting power. The institution's 2007 faculty handbook stated, "Final authority in all matters rests with the board of trustees" (p. B1). The institution employed 59 staff and administrators. According to the institution's organizational chart, Vilma College's cabinet consisted of the president, the vice president for academic affairs, the vice president for business affairs, the vice president for development and university relations, the vice president for enrollment management, the vice president for student development, and chief student affairs officer. At times, the last two or three cabinet positions were combined into one role.

In the middle of the 19th century, the denomination's organization acquired a charter from the state to establish a women's college. Seventy years later, the organization voted to expand the college to a coeducational institution and changed its name to honor one of the

denomination's clergy. In the early 1990s, the institution changed its name from a college to a university. While the church affiliation was formal until the institution ceased to exist in 2011, participants noted that the denomination's faith and identity were not pushed on students or faculty and staff, even though, according to the vice president for development and university relations, Vilma College was traditionally responsible for educating nearly one quarter of the denomination's clergy in the region.

The institution was located in a medium-sized community of 85,000 people in the western part of the state and was within 125 miles of two major metropolitan areas with populations greater than 1 million people. The institution's immediate community contained three other higher education institutions, one two-year community college and two private four-year institutions, all of which were thriving during the current study's fieldwork due to expansions in online education and adult learning programs. The local community was most known for its health care facilities. Participants agreed that the college was well known in its immediate community and region. One president even joked that "you couldn't go anywhere in the community without tripping over an alum."

As I observed, Vilma College's 50-acre campus was located within a few miles of the community's downtown area in a high crime neighborhood that shared the institution's name. The campus was known for its aesthetic grounds and Georgian buildings, especially its chapel, library, union, and administration building, which I observed was situated in the most prominent area on campus. More specifically, admissions materials, published in 2008, described the campus this way:

[Vilma College] is what you've always imagined college to be. Whether it's the stately Georgian architecture, the open green quads, the quiet tree-lined walkways, or the warm and welcoming atmosphere, our students tell us that from the very first moment, [Vilma College] felt like home.

Participants described the campus' beauty as one of the institution's greatest assets although some of the buildings were "in very bad disrepair" as a result of deferred maintenance. Another participant described it this way: "It was an incredible institution and it was a beautiful school. It was a beautiful from afar. Now if you started looking, there were a lot of things that needed upgrading."

Additionally, participants commented on the less than desirable surroundings of the campus. One president described the institution's neighborhood as "the lower end of town" and the vice president for development and university relations stated that there were "drug problems, gang issues, and shootings" close to campus. One president noted that part of his role was "to connect with the city and try to help turn the neighborhood around to protect campus because campus safety [was] such a huge factor."

The college's vision, mission, and purpose pointed to education as a service of the church to be used for the service of God. The institution sought to provide liberal arts education combined with vocational preparation, uphold Christian values of stewardship and service, and focus on creating a nurturing environment. The institution's messaging focused on the Wesleyan way and its Christian philosophy, cultural heritage, and enriching perspective; but, when asked to describe the mission of the institution, participants did not mention a Christian mission or purpose. Instead, the vice president for academic affairs responded by saying "Your typical mission, prepare students for the world." Others talked about creating students that were leaders for the business and the community. Admissions materials, published in 2008, echoed this dual preparation track this way:

The true value of your education at [Vilma College], however, is that you leave prepared for your future. You'll be an expert in your field. But more than that, you'll know about the world and the infinite opportunities it offers to you. That's the value of a liberal-arts

education. Not just job training, but life training.

According to several participants, the institution valued freedom of thought, understanding oneself, and deep personal relationships with students and faculty and staff. Almost all participants mentioned the academic rigor of the institution, noting that the institution had a good name because of its solid education and excellent reputation for liberal arts teaching and curriculum.

Vilma College offered four bachelor's degree programs in arts, business administration, music, and science from six schools within the college. Majors at Vilma College included accounting, art education, art history, biology, business administration, chemistry, church music, communications, computer information systems, economics, elementary education, English, entertainment music industry studies, environmental sciences, environmental studies, family and consumer sciences, family and consumer sciences education, fashion merchandising, food and nutrition, graphic art and visual communication, history, human performance, interior design, international business, international studies, management, marketing, mathematics, media and film studies, modern languages, music, music education, performance, philosophy, physical education, physical sciences, political science, psychology, public relations, recreation and sports management, religion, religion/philosophy, secondary education, social work, special education: comprehensive, special education: hearing K-12, special education: modified, special education: speech & language, speech communications, studio art, theatre, and visual art.

Vilma College participants pointed to the entertainment music industry studies degree as a curriculum and enrollment strength. Participants also noted the social work program as a particularly innovative addition to the curriculum. Both programs were added to the curriculum

within the last five years of the institution's existence. A few other participants noted the strength of the music programs at Vilma College.

Acknowledging the importance of career preparation, Vilma College also provided 10 pre-professional programs, including programs in medicine, law, and engineering. The institution's 2008 Viewbook described the curriculum as one that prepared students for "life, work, spiritual growth, social and civic involvement, leadership, and family responsibilities" (p. 7). Vilma College also offered independent study and internship opportunities, a study abroad program in London, summer language immersion programs, and a three-year residence program that prepared students to enter an accredited professional school at the end of their junior year. However, none of these programs were mentioned by participants except for the study abroad program in London, which was noted by two faculty members as a popular and high-quality program at the institution.

Vilma College also required several experiences beyond a student's major requirements for successful completion of a degree. The mandatory 128-hour curriculum included a core with courses from each traditional discipline, including two courses in religion. Additionally, students were required to complete a freshmen and senior course; take discipline specific comprehensive examinations before graduation; and complete the Measure of Academic Proficiency and Progress (MAPP) examination. Additionally, every Vilma College student was required to declare both a major and minor in order to successfully meet the requirements for graduation. Participants did not mention any of these additional student experiences as noteworthy or distinctive.

Vilma College's total enrollment in the mid 2000s before the recession was approximately 800. In addition to academic achievement, the institution reviewed a student's

character, leadership, interests, aptitude, and determination when considering admission. The institution admitted students without regard for race, color, gender, age, disability, religion or national origin, or financial status. In 2007, the institution awarded approximately 8 million dollars in institutional aid. The institution, according to a chief student affairs officer, brought in mostly middle-class to lower-level income students and provided significant institutional aid. Admissions materials also highlighted the institution's strong commitment to providing a financially accessible education by meeting every student's total financial need as long as they completed the necessary paperwork on time. Finally, as a point of pride, the institution boasted that its education was almost 40% less than the national private college tuition average.

With a small enrollment, class sizes were seldom more than 20 and the faculty-student ratio stayed low. Common data set documents from 2007-2008 indicated that the faculty-student ratio was as low as 9.4:1 in 2007. A board of trustees member, who was also an alumnus, recalled his student experience of small classes, noting that what he saw as a strength when he was a student, he later understood was a stress on the institution.

Vilma College was a residential campus that housed students in five on-campus traditional dormitories. Vilma College provided club and organization opportunities to cultivate interest in particular areas; areas included religious life, a volunteer clearinghouse, student government, and academic and special interest organizations. Participants also noted that Vilma College coordinated a Model United Nations team and Mock Trial team, which competed regionally and internationally and were both popular programs on campus. Vilma College had 11 varsity National Association of Intercollegiate Athletics (NAIA) Division I sports teams and five intramural sports. Greek life at Vilma College consisted of three sororities and three fraternities.

In 2009, Vilma College's faculty were made up of 47 full-time members, eight adjuncts,

and 19 emeriti. However, common data set documents from 2007-2008 showed that only two years earlier, Vilma College had as many as 67 full-time faculty members and 30 part-time faculty members. Of the institution's 67 full-time faculty members, 67% had terminal degrees and only two of them were from diverse backgrounds. The institution's 2008 Viewbook noted that several faculty members belonged to the "30+ Club," which recognized faculty who served for thirty years or more at the institution (p. 4). Several participants pointed to the dedication and commitment of the faculty at Vilma College, and also commented on how underpaid they were. Many of them referred to themselves as "missionaries," one former cabinet member said. The faculty coordinated 20 standing faculty committees at Vilma College, three of which were filled with elected members and 17 of which were filled with appointed members.

When asked, "What makes Vilma College distinctive?," participants pointed to its small school atmosphere and its priority on letting students explore who they were "without pressure to become a certain cookie cutter person." Beyond that, participants admitted that finding what was distinctive or different about Vilma College was a constant challenge. One cabinet member noted the lack of cohesive vision by saying: "I think people had a hard time explaining that. Everybody had their own view of [Vilma College]."

Pre-recession profile. Although the institution had committed stakeholders and a long tradition of solid education, it also had a storied history of crisis, particularly financial crisis. The vice president of academic affairs recalled hearing tales about the president selling tomatoes during the recession in the early 20th century or cutting the lawn in the quad to save money. Another participant pointed to the leanness of the institution as a challenge that constantly made it vulnerable. "We were always too close to the bone so anything significant would start to put us into a nosedive." Another called the financial situation "always precarious."

Financial distress. Immediately before the most recent economic recession, 2005 and 2006 board of trustees meeting minutes showed that the institution's relatively new president hired a group of external consultants to guide the institution on recruiting, marketing, and fundraising efforts. The consultants' initial comprehensive review of the college's financial situation and fundraising needs was presented to the board of trustees and recorded in the board's meeting minutes. Their review was helpful in understanding the extended short-term financial history of the institution. At the time of the report, the institution owed 6 million dollars in long-term debt and a short-term debt, or credit line, with 1.75 million dollars was due within six months of the report. Two participants described the institution's long-term debt, in the form of a multi-million dollar capital bond issue that was nearly two decades old, as an "albatross." The debt service proved to be an enormous challenge to overcome on a regular basis, which gained the attention and interest of the institution's creditors, especially as the recession wore on over time. Additionally, at the time of the consultant report, the fiscal year's budget was projected to be overspent by 1.4 million dollars. At that point, institutional financial aid was awarded at a rate greater than 70% and less than 15% of the institution's revenues were available to pay salaries, benefits, and operation costs. Graduation rates and retention rates were less than 40%. Community partnerships continued to decline, faculty raises were neglected, and dormitories needed refurbishment.

Proposed budgets presented to the board of trustees for approval and recorded in 2006, 2007, and 2008 board of trustees meeting minutes showed that the two budgets prior to the recession and one budget into the recession all indicated that proposed budgets were consistently misaligned with established patterns of revenue and expenditures. Revenue streams were overestimated again and again. In reality, for all three of these fiscal years, the institution grossed

and netted less tuition revenue than it projected and enrolled fewer students than it projected.

These misaligned budgets either created deficits or the necessity for the institution to balance the budget with significant unrestricted gift revenue (see Table 3).

Table 3

Vilma College's Projected and Actual Revenue 2005-2008

	Net Tuition	Annual Fund & Gifts	Edu/Admin/ Other/Aux	Endowment Earnings Income	Deficit
2005-2006 Projected	56%	16%	26%	2%	
2005-2006 Actual	35%	15%	27%	2%	21%
2006-2007 Projected	41%	29%	28%	2%	
2006-2007 Actual	35%	40%	23%	2%	
2007-2008 Projected	43%	29%	26%	2%	
2007-2008 Actual	29%	46%	23%	2%	

Sources: 2005-2006 proposed budget, 2006-2007 proposed budget, 2007-2008 proposed budget

Even with budgets consistently being adjusted midyear, the administration produced and the board of trustees approved budgets that projected increased revenue. For three consecutive budget years, the administration projected between 22% and 29% increases in net tuition, between 3% and 10% enrollment increases, and between 4.6% and 12% increases in overall revenues while expenditures were never projected to increase more than 5%. Even more surprisingly, the institution increased all traditional revenue categories and gave 4% raises to all faculty and staff, which increased its expenditures, in its 2007-2008 budget, only one year before the recession. Months later, the institution's accreditation entity referred to these raises as "counter-intuitive" (Report of the reaffirmation committee, 2008, p. 28).

In terms of long-term trends, at the time of the consultant report, the institution had a five-year history of operating with a deficit that totaled more than 7 million dollars, enrollment

declined over the past five years, and annual gift income had not increased significantly for several years. The endowment was less than 10 million dollars, was borrowed from on multiple occasions, and contributed less than 2% to the annual operating revenue. Immediately before the recession, a policy was put in place to reduce the 6.5% spend rate on the endowment in an effort to protect the corpus, but the board later approved a multi-million dollar loan from the endowment to pay the institution's short-term debt during the recession.

In short, the institution faced continual revenue stream issues and cash flow slowed at the end of each semester and each fiscal year. Essentially, the institution "lived on a line of credit," one president noted, "We had to pay it off every month and we lived from one infusion to another twice a year, each semester." Board of trustees meeting minutes from 2006 to 2009 indicated that financial stress was repeatedly a focus of discussion at the board of trustees level, noting as early as 2006, "the problem area continues to be the decrease in net tuition revenue. Spending reductions cannot be made to offset the revenue loss" (Board of trustees meeting minutes, 2006, p. 2). Then, in 2007, board of trustees meeting minutes indicated that continued budget shortfalls were a grave concern: "The shortfall in net tuition revenue will again require [Wilma College] to raise significant gift revenues to balance the operating budget" (Board of trustees meeting minutes, 2007, p. 5). Similarly, 2008 and 2009 board of trustees meeting minutes continued to indicate that the institution was never able to sustain a balanced budget.

Fundraising. Historically, the institution's fundraising challenges centered on the limitations of a small and financially restricted alumni pool. Wilma College had an alumni base that remained largely local and typically established careers in public service and in the church, professions that did not often coincide with financially significant philanthropy to the college. A former vice president for development and university relations described the challenges this way:

They had fond memories of the school. The problem was they did not leave the area. So you are basically talking about a population of people that lived within 120 miles. I'd say that's probably where 70% or 75% of the alumni lived. They were fond and dear to my heart, but you want your alums to go to New York and make money on the stock market. You want them to go to other places.

Additionally, when fundraising was actually successful at the institution, it almost entirely supported the operating budget's deficit caused by shortfalls in net tuition revenue. A vice president for development and university relations, who ultimately departed the institution as a result of its unsustainable fundraising practices, described this recurring situation as one that presented a direct challenge to long-term planning at the institution. He said:

It was hard to do any long-term planning from a fundraising standpoint because we would make projections for the next year's admissions targets, and then in August, when we knew what the actual numbers were, we constantly had to raise more money just to keep the doors open. The projections were always lower than what the institution was spending, and providing a high tuition discount compounded that. The last year that I can recall, private fundraising accounted for more than 5 million dollars, and 85% of it went to operational costs, and that was double our initial goal. You can't work like this forever. The threat was always there to close. When I left, I cried because I knew it was not going to be there for much longer.

Still, Vilma College engaged in significant fundraising activity that yielded momentous results immediately prior to the start of the recession. Board of trustees meeting minutes from 2005 and 2006 indicated that, immediately before the recession, "the university raised more money in gifts and pledges than ever before" and the institution saw a large increase in net assets, which had not occurred in more than five years (p. 2). Gift revenue hit its peak right around the beginning of the recession when private gift support accounted for more than 50% of the institution's operational revenue (see Table 3). The institution also started a capital campaign in 2006 with a goal of raising 20 million dollars over a three-year period. The institution's relatively new president proposed the campaign in 2006 as an aggressive step that the institution needed to take to generate support to pay off short-term debt, renovate dorms, provide operation

funds, increase faculty salaries, endow scholarship funds, and build the general endowment.

But, while private gift revenue hit record totals in 2007, most of the fundraising activity was concentrated among a very small group of donors. In fact, board of trustees meeting minutes and participants' interviews indicated that two donors, one alumnus and one parent, became particularly financially involved immediately before the recession and eventually were appointed to leadership roles on the board of trustees. Several participants noted the entrance and involvement of these two board of trustees members prior to the recession. The chief student affairs officer described the progression this way: "The administration also started to rely heavily on gifts in kind from two specific board members, who also attached some expectations to their funds."

Mission. Additionally, several participants framed the institution's inability to generate adequate tuition revenue as a problem rooted in the inflexibility of the educational approach and restriction of curriculum offerings. While participants diverged in assigning responsibility as to who restricted the institution's curriculum and educational approach, most participants agreed with the notion that the institution was too restrictive in its mission. During its long-term history, it had eliminated popular and professional majors like athletic training and educational programs that focused on fee-for-service adult learner classes. The vice president for business affairs described the institution's limited vision this way:

They wanted to keep the small resident liberal arts student model going and did not recognize that that was not a viable long-term solution and they had to make changes to be a little more inclusive of other educational opportunities and ideas.

The college refused expansions related to online education and nontraditional students, and when a health care organization offered to help underwrite a nursing program, the institution declined on the basis of "academic purity." In short, participants characterized the institution by its

widespread “resistance to change.”

So, in a general sense, the immediate need for Vilma College in pre-recession times was, according to its then president, to “stabilize financially and boost enrollment.” The president defined his role in this process as primarily a fundraising force. He said:

What was desperately needed was money. The university was in significant debt. They were having trouble making payroll, but all the fundraising was dedicated to paying the bills, very little of it was capital. I knew it was bad going in, but when I went in the economy was still strong. I thought there was a good chance I could stabilize things and stabilize enrollment.

In the context of the recession. The institution saw several successes in the early recession years. Almost immediately after the start of its fundraising campaign, the college received its single largest gift in institutional history, a 7 million-dollar combined gift from the two trustees noted earlier. Additionally, one of the college’s women’s athletic teams won a national championship. Several capital improvements updated areas on campus including dormitories, the administration building, and the student union. The board of trustees also considered a host of capital projects focused on growing the institution’s appeal, such as a more extensive Greek Row or a bell tower in the quad area. And finally, the administration led the faculty in adding three new professionally-based degree plans to the curriculum, one of which became the most popular major at the institution within two years of being offered.

While the institution saw some success early on, continued pressures and the increased tightening of financial resources created a progressively difficult situation. In addition to struggling enrollment, the value of the endowment dropped significantly, the bank’s credit regulations stiffened, and the Department of Education put additional stipulations on Title IV funding for Vilma College. Thus, when the economy showed significant signs of weakening, the board began discussing, as a precaution, what the ramifications of closing the institution might

be. At that time, the institution was in significant debt and, to any potential buyer, was a financial liability more than an asset. Most agreed that the future did not look promising. The president at the time recalled that the big donors and big gifts had already been solicited and the economy was worsening, creating even more pressure on fundraising and enrollment. Neither picture showed enough of a significant improvement to sustain long-term hope. The board discussed partnership, merger, and buyout opportunities along with continued discussions on how to best independently operate the institution into the future.

Accreditation. One issue that was centrally important to any future option for the institution, whether it was to sell the college or continue operating it, was continued accreditation. Coincidentally, the institution's 10-year self-report and accreditation visit occurred during the first two years of the recession. During and after the recession, from 2008-2011, the institution was reviewed, the accreditation entity visited the campus, and the college was put on a one-year probationary status. And although the institution received a one-year extension, accreditation was eventually revoked even after an appeal in federal court. The institution closed shortly after losing its accreditation, but not before graduating two final accredited classes of students in 2011. During the four-year accreditation process, the college had three presidents, one of which was an interim; the board changed leadership; and there were numerous turnovers in the cabinet. During one accreditation campus visit in particular, a board of trustees member noted that the institution had no president and had just experienced the exit of several vice presidents and two board of trustees members. He said:

We didn't have a president, without a vice president, or I guess the acting president was also the acting dean and we had no development officer and we had a new CFO. We essentially had a two-person cabinet. You just can't fake it. And we are projecting a seven million dollar deficit as we are sitting there that day for the school year.

According to the institutional review report provided by the accreditation entity, the college failed to comply with 18 accreditation criteria, including institutional effectiveness, financial stability, credentials of faculty and staff, assessment of learning outcomes and performance, control of athletics, physical and learning resources, and distinction between administrative and board functions (Report of the reaffirmation committee, 2008). Most participants recalled the financial status and the role of the board of trustees members as particularly important to the accreditation process. A board of trustees member described the board participation as “too small” with two trustees “dictating what was happening.” Additionally, a cabinet member described the board’s interference, in the context of accreditation, this way:

One of the things that we took a hit on with [the accreditation entity] in the reaccreditation process was those two board of trustees members’ over involvement in the day-to-day running of the university to the point where the president was crippled from making any type of substantive decisions.

It was noteworthy that the accreditation entity had absolutely no complaint or concern regarding the nature or level of the curriculum or the education provided by Vilma College.

Financial decline. As mentioned, simultaneous to the accreditation process, the institution continued to suffer financially. Due to its probationary status, the institution’s accreditation entity prohibited the college from starting any new programs, which Vilma College’s administration had originally projected as a potential new revenue generator. Additionally, the two primary donors on the board of trustees eventually resigned as a result of conflict with the administration and took millions of promised dollars with them. The institution sold real estate to make payroll, which created a onetime surge of funds, but also led to a loss of recurring rental income. Finally, the institution failed to meet faculty and staff payroll on time

for two summer terms and almost the entire last semester of operation. The budgets for the final two years of operations at Vilma College showed multi-million dollars shortfalls.

A 2009 report from the chair of the financial and investment committee of the board of trustees, presented at the end of the recession and less than two years before the institution closed, indicated serious concerns about the status of the institution. The report stated that the institution was “deeply in the red” with an annual shortfall of more 4 million dollars (Financial and investment committee report, 2009, p. 1). At this point, the institution was on probation and was the focus of negative media coverage both locally and statewide. The report also pointed to the fact that three of five top administrative positions were vacant or filled by interims. Student enrollment was down and the athletics program was described as a “persistent challenge” (Financial and investment committee report, 2009, p. 4).

Further, the report detailed a relatively new challenge as a result of the economic recession:

There are two bad new items about our modest endowment. First, the value declined by a half million dollars in the stock market crash. Second, the surviving funds, which are almost totally pledged against our debts with the bank were pulled, at the bank’s insistence, from the stock market near the bottom of the recession and put in fixed-income instruments with very low returns. We plunged down with the market; we are not participating in the upswing. (pp. 4-5)

Although the recession played a role in a number of issues included in the 2009 committee report, the report also stated that the problems were longstanding by saying: “We are in serious jeopardy as we enter the new year. We have consistently failed to match our expenses with our tuition-based income. And our other attempts to raise new money and forge external partnerships have not been sufficient” (Financial and Investment Committee Report, 2009, p. 1).

Potential buyers. With the institution becoming a growing liability and the economic recession pressuring it more and more, selected members of the board and the president

discussed a potential sale of the institution to other organizations associated with higher education. They quickly discovered that as important as accreditation was to the interest of potential buyers, it also appeared that potential buyer interest was also particularly important to the accreditation process. As a six-month follow-up to the institution's probation ruling, the accreditation entity re-evaluated Vilma College and granted it a one-year extension to work towards meeting accreditation criteria. Participants recalled that the institution's accreditation extension was, in large part, due to the fact that the institution presented the accreditation entity with a letter of intent demonstrating external interest in a possible partnership, merger, or buyout deal. But initial interest did not materialize and when the institution could not show a viable plan for recovery, its accreditation was ultimately revoked. With no accreditation, most potential buyers scattered.

The institution appealed the accreditation ruling in federal court. While the courts considered the appeal, the institution was allowed to continue offering an accredited education to its students, which ultimately enabled them to graduate two more classes in 2011. Additionally, during this time the institution developed a teach-out plan and transfer agreements with seven other institutions before losing its accreditation and closing its doors in 2011. More than one participant regarded the education and successful transition of every student at Vilma College as the institution's biggest success during this recession period. One president described the institution's success during its final years this way: "We stayed open. We educated students who graduated two years after we shouldn't have. And we operated with dignity and prayer and respect and love. In a sense, I was there to facilitate death with dignity."

During that time, the board chairman also negotiated the sale of the institution to a four-entity local partnership group for 80% of the institution's total debt. Participants stated that the

partnership, made up of four large companies and service providers in the local community, became interested in purchasing the institution when it was apparent that the campus could be vacated, leaving an abandoned hole in the center of a community surrounded by a neighborhood that was not the "choosiest." Once the partnership bought the institution, it immediately gifted it to the state, which allocated the campus to an existing in-state public higher education entity. Ironically, one of the first programs the in-state public entity added to the former Vilma College campus was nursing. The state school operated on the former Vilma College campus at the time of the current study's fieldwork and several participants commented on the graceful nature of the merger and regarded the outcome as positive for both institutions and the community. Participants described the community partnership that purchased the institution as a "hero" and "absolute saviors," and described the merger as "fantastic" and a "good marriage" for the community. One faculty member described the unprecedented process of transition by saying, "I would venture to say that nothing like this has happened in any other case."

Analysis of Themes

Once I developed an individual case record for each institution, I identified the themes of the current study through transcription, review, and coding of participant interview data, document analysis, and observational notes. These themes are presented in the context of the current study's research questions and are illustrated in Table 4. In terms of external environmental pressures influencing liberal arts colleges, the case institutions identified the following: (a) exposure of established institutional practices, (b) endowment loss, and (c) enrollment pressures. In terms of adaptive strategies employed to respond to these pressures, the case institutions identified (a) fiscal management adjustments, (b) academic adjustments, (c) athletic adjustments, (d) personnel adjustments, (e) fundraising adjustments, and (f) enrollment

adjustments. These adaptive strategies employed by each institution affected operations in three areas: (a) role of the board, (b) administrative approach to leadership and decision-making, and (c) negotiation of faculty involvement. Finally, in terms of how institutional constituents perceived these adaptive strategies, two main themes emerged from the data: (a) reflection of leadership and (b) issues of identity. Each theme was best understood within the context of one of the current study's research questions. Therefore, I present the remainder of the current study's findings as the overarching themes of the study as they related to each research question.

Table 4

Summary of Research Questions and Themes

Research Question One: What external environmental pressures influenced the liberal arts colleges during the Great Recession of 2007?	
Theme	Subtheme
Exposure of established institutional practices	
Endowment loss	
Enrollment pressures	Regional challenges
Research Question Two: What adaptive strategies did the liberal arts colleges employ to respond to the external environmental pressures during the Great Recession of 2007?	
Theme	Subtheme
Fiscal management adjustments	
Academic adjustments	Curriculum changes Online education
Athletic adjustments	
Personnel adjustments	Layoffs and pay adjustments Retirement contribution cuts
Fundraising adjustments	
Enrollment adjustments	Recruitment strategies Increased tuition Discount rate adjustments Campus renewal projects

Research Question Three: How did the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007 affect their operations?

Theme	Subtheme
Role of the board	
Administrative approach to leadership and decision-making	Personnel turnover Strategic plan
Negotiation of faculty involvement	

Research Question Four: How did institutional constituents perceive the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007?

Theme	Subthemes
Reflection of leadership	Lack of transparency
Issues of identity	

Research Question One: What external environmental pressures influenced the liberal arts colleges during the Great Recession of 2007?

External environmental pressures influenced the case institutions during the recession in three primary ways. First, all three institutions regarded the recession as exposing existing institutional practices. In a general sense, the recession made all three institutions more vulnerable; however, the degree to which they were weakened or exposed was reflective of the institution’s existing practices in pre-recession times. Additionally, endowment losses and enrollment pressures were two universal symptoms of the 2007 market crash and subsequent recession and affected all three case institutions.

Exposure of established institutional practices. Participants from all three institutions described the recession as an event that illuminated their college’s reality at that specific point in time. Each school’s pre-recession practices and overall situation directly contributed to the nature of the environment pressures it faced and the adaptive strategies it implemented during the recession.

Colston College experienced record growth in enrollment and revenue immediately before the recession as a result of its nationally recognized innovative engaged learning program, and therefore had great momentum going into the recession. Its positive momentum continued to fuel its growth even after the market crash; the institution experienced its highest enrollment in 2010-2011, immediately following the depths of the Great Recession of 2007. Additionally, while the institution did experience a higher than normal retention drop in 2008, the drop was short-lived and the institution remained on an upward trajectory. In short, new program additions, a strong revenue stream, and enrollment increases in pre-recession times contributed to the institution's stability during the recession. As a result, the recession highlighted Colston College's growth patterns, and the institution's prior success greatly mitigated the effect of the recession on its operations.

The Great Recession of 2007 also exposed Payton College's pre-recessional practices and operations. For more than a decade leading up to the recession, Payton College operated with a deficit and overly depended on record high gains from its endowment. The excessive endowment gains cushioned the institution's annual budget and disguised weaknesses in other revenue areas, most notably, in tuition revenue. A board of trustees member recalled how the market exposed an institution that, in good times, had gotten "carried away" with its spending practices:

We are all guilty of this to some extent, we were carried away by the great '90s that we had, we all had other things to worry about, and we didn't recognize that the market performance was masking weaknesses in the system that we should have paid more attention to.

Consequently, participants acknowledged that the recession, through causing significant endowment losses, eliminated the institution's ability to keep up its unsustainable spending practices. One cabinet member talked about the recession and how it revealed the institution's

pre-recession practices by saying the recession “eliminated all of our flexibility to keep pushing along with things that we probably shouldn’t have been pushing along with.”

Finally, participants at Vilma College similarly acknowledged that the recession pressured their institution by further exposing and exaggerating its sustained pattern of operations before the market crash. The vice president for business affairs described the recession’s exposure of institutional practices this way:

It highlighted the problems that they were already experiencing with reducing enrollment and growing budget demands. So by not doing some of the things that would have helped them grow, it slowed them down at a time of increasing financial difficulties.

More specifically, the recession further stressed already constrained Vilma College’s revenue streams. The institution already struggled to recruit and enroll paying students before the recession and private gift resources were largely tapped by 2006. When asked to describe the effects of the recession, participants said the recession compounded the already dire circumstances and metaphorically referred to it as “the straw that broke the camel’s back” and the “additional weight that just took down the ship.”

In a general sense, the more stable a case institution was before the recession, the more stable it remained throughout the recession. The pressures the institution faced in pre-recessional times were simply exaggerated by the economic downturn. Unsustainable financial practices became more unsustainable, revenue pressures became stronger, expenses did not decrease, and safety nets were erased, leaving little room for error at each college. Therefore, the institution that grew and established new and stable revenue streams in pre-recession times did not feel the effects of the recession as much as the institutions that lived close to the edge and outspent their means in good times.

Endowment loss. Participants from all three institutions noted the damage the recession had on their institutional endowments. Both Colston College and Payton College had nine-figure endowments and experienced huge corpus and spending losses, which created significant reductions in operational revenue. Colston College participants recalled that its 30% endowment loss led to an immediate multi-million dollar reduction in the budget, which noticeably impacted college operations. However, since Colston College remained within an acceptable spent rate up until the recession, the impacts of its endowment losses were lessened by its ability to incrementally increase its draw rate, which allowed the institution to mitigate some of its losses. Colston College's chief financial officer described the institution's situation this way:

Our endowment draw has probably averaged between 6.5% and 7% over the last five to seven years. We felt that the endowment, as it was setup around 2000 with the safety net, had served us well in periods of normal increases and decreases of value. But I do think the sustained economic challenges and roller coaster have now caused us to challenge that safety band. [We] have come to the conclusion that we really don't want to expose ourselves to continued levels around the 7% plateau.

Essentially, this flexibility in spend rate allowed the institution to ease the effects of the revenue cuts on the institution for a few years. However, the institution hit its peak draw limit in 2008-2009, which then required it to decrease its spend rate.

Payton College, on the other hand, was already outside the acceptable spending rate before the recession began, drawing more off of its endowment than best investment practices recommended. Payton College's board of trustees member described the impact of the endowment losses on the institution during the recession by illustrating the impact of a booming market followed by a significant crash:

From 2000-2010, the stock market went up zero. And if you add a 10-year stretch at zero and a 10-year stretch at 20% in the 1990s, you get 10%. Now that's a little too cute, but it's true, and over long periods of time, that numbers seems to hold up pretty well. In any 10-year period you can have some zeros. So what 2008 did, again it happened in 2001 but the market recovered, our 100 million dollar endowment went to an 80 million dollar

endowment. So if we are spending 6%, 7%, 8% of the 80 million dollars, we're now at 72 million dollars, and suddenly you've now had a 30% drop in your market in one year. So you say okay if the market doesn't go up or keeps going down, in two more years we are pushing down to 50%. It's not just that we don't have the revenue anymore; we're living on borrowed time. How many years can you go before you run out?

Essentially, since the spend rate at Payton College during the decade before the recession was more than double and almost triple than what was recommended, the stock market crash doubly impacted the institution. First, it was forced to lower its spend rate, and second, the market did not produce the record gains it produced during the previous 10 years, on which the institution was now dependent. Rather, during the recession, the institution quickly discovered that its overall endowment level decreased and it "almost had no cash to spend."

Participants from Vilma College also indicated that the loss of endowment, as a result of the market crash, played a role in the pressures exerted on the institution by the recession. Although Vilma College had a significantly lower endowment with barely a 10 million dollar corpus, the institution's fragile financial situation required that it tied its lines of credit and its Department of Education Title IV funding, which was described as a "life source of the school," to its endowment as a form of collateral. As an additional blow, at one of the lowest points in the market, the institution was viewed as such a growing liability that its banks required the institution to move their endowment fund to fixed income and assets. As a result, Vilma College's endowment rode the market down during the crash, but did not benefit at all from the gains in 2009 and 2010. Rather, as a result of the pressures facing the institution's banks and the Department of Education during the recession, these entities tightened their financial regulations, which caused increased financial distress to Vilma College during an already volatile time. As a Vilma College's board of trustees member recalled, "We caught it all; everything was at the bad time."

Enrollment pressures. Despite the differing pre-recession situations of the three case institutions, participants from each institution admitted that enrollment pressures, and more specifically, the pressure to enroll students who were able to contribute to the cost of their education, increased across the board as a result of the recession. While institutions varied in their ability to overcome those pressures based on their established practices, the increased pressure nonetheless affected all three institutions.

Even though Colston College reached its peak enrollment in 2010-2011, the institution eventually felt enrollment pressures in the immediate years following the recession. Participants described an unexpected six-percentage point retention drop in 2008 and enrollment plateaus in recent years as the main enrollment pressures that faced the institution. Colston College pointed to the prolonged nature of the recession as its biggest challenge. The dean of students at Colston College described it this way:

Part of the downturn in our enrollment was directly linked to cost and debt and worries of families because the recession drug on. And worries about what will the future look like if my son or daughter graduate from the school and the job market hasn't rebounded. So, that increased the reluctance for families to take on debt, that affects their ability to commit to the educational model that is fairly high costs, but also worth it from the standpoint that its high quality.

In an overarching sense, participants at Colston College articulated that the length of the recession caused families to reevaluate students' futures through the lens of the recession as a long-term situation instead of a temporary downturn. Additionally, the length of the recession caused families to deplete reserve resources by the second and third years of the recession, which especially affected retention.

Participants from Payton College and Vilma College also noted significant challenges in attracting and enrolling students who were capable and willing to pay the cost of tuition. The vice president for enrollment management at Payton College stated that had the institution been

in a position to continually provide a significant level of aid to prospective students, it would have been capable of immediately filling its incoming classes. He said, “If I could give it away, I could fill a class in a couple of weeks. And we gave it away for a long time, for many years, and now we are seeing that we have to pace ourselves.” As an example, in the fall of 2008, the institution filled its class by providing a nearly 70% discount rate. However, such a high discount rate was unsustainable for an institution that required a steady stream of net tuition revenue to balance its budget. While the institution was able to compensate for high discount rates in the past through an overdependence on endowment earnings, those earnings were nonexistent in recession times. Similarly, the vice president for enrollment management at Vilma College also indicated that the recession caused parents and students to closely examine the cost of education when “comparison shopping with other institutions.” She stated that often Vilma College was not able to “meet parents’ expectations on reducing the cost of education” and consequently lost students to cheaper educational options.

In a general sense, the recession was a heightened time of student financial need caused by limited household income and reluctance to incur debt. Yet, especially for Payton College and Vilma College, the recession was also a heightened time of institutional stress that limited the institution’s ability to provide students with the level of aid that they needed to enroll. In this sense, the challenges of increased student need caused by the recession were compounded by the institution’s increased need to generate revenue through discount rate reductions and tuition increases, which were also caused by the recession.

Regional challenges. As a subtheme of enrollment pressures facing these institutions during the recession, all three institutions’ participants noted the added disadvantage of their institutions’ geographic location on its recruitment efforts. Participants across the board echoed

concerns that their institutions existed in markets that lacked an understanding of and value for liberal arts education in their respective states and areas. When compared to other areas in the country, participants felt that their southern location presented an additional challenge to recruiting enough paying students to sustain the institutions' operations. The vice president for enrollment at Colston College noted that she did not "completely understand the lack of appreciation for higher education in this state" before she joined the administration at Colston College. A participant at Payton College complained that the institution had "no one helping us make the case for private selective higher education in our region." He followed up his statement by adding, "So, it really does change that conversation some. If we had a marketplace that understood private education better, it wouldn't change the way we market ourselves, but we'd have a better-informed community. And we just don't have that here." Finally, at Vilma College, a vice president for development and university relations framed the geographic challenge as the south not having "the heritage, the tradition of sending kids to small liberal arts colleges like you do in the northeast and the Midwest." As a result of this, he said:

A person may not see, even if they are fairly well to do, any difference in going to a [liberal arts college] and [a state university]. They are both good schools, which they are, but they would say there is no real difference in education and that's really not the case.

Research Question Two: What adaptive strategies did the liberal arts colleges employ to respond to the external environmental pressures during the Great Recession of 2007?

In an effort to respond to the pressures created by the recession, which were primarily financial and enrollment related, the three case institutions in the current study identified several adaptive strategies that were employed in ways specific to their institutional situation. Yet, in a general sense, many of these strategies were quite similar. The six most common adaptive strategies identified across institutions were fiscal management adjustments, academic

adjustments, athletic adjustments, personnel adjustments, fundraising adjustments, and enrollment adjustments.

Fiscal management adjustments. In terms of adaptive strategies employed at each institution to combat pressures caused by the recession, participants first discussed their institutions' overall fiscal management approach to dealing with the financial burdens of the recession. This theme was especially noteworthy because each institution adopted a different approach to bad times.

Colston College defined its overall approach to the recession as a "balanced approach" focused on aggressive investment with an eye on expenses. A faculty member characterized this approach, and the president's leadership, as bold and positive. He said:

The president's approach to bad times is take advantage of them and push things that will be more attractive and will attract more people and therefore work its way out. So, how have we dealt with it? We've dealt with it by sort of being bold. You know, bad times means invest, get more things going as opposed to how do we best survive it so we can come out and then move. That approach about times are hard [so] let's really reach out to grab people and do something worthwhile in the process has been a positive thing that the institution has done.

Since Colston College was in a relatively strong and stable position going into the recession, it had more leverage to invest in additional programs and capital during the recession. The chief financial officer at Colston College defined this balanced approach as "growing the revenue side" while "calling more attention to the expense levels" with a continued emphasis on "the quality of the product we offer."

Payton College implemented an appreciably different approach than Colston College that was defined almost exclusively by expenditure and budget cuts. Due to the college's habitual overspending, cumulative debt, and endowment losses, the institution's new president immediately implemented 3 million dollars of budget cuts when he arrived at the end of the

recession. While the institution implemented strategies to generate revenue, the cost-cutting measures were so significant and emotional that they defined the institutional approach to recession adaptation. Participants recalled that the administration cut “massive amounts” and had to do some “draconian” things to balance the budget. Significantly cutting the budget during recession times was a doubly negative blow to the institution that was already experiencing stress as a result of external factors. The president recalled the sweeping nature of the budget cuts and the effect so much cutting had on the institution and his presidency.

From my seat, you go to athletics [and cut], and all the Division I advocates and the alumni and the athletes and the coaches, they don't like you, but you get “ataboys” from a bunch of other people. Then you turn to the administration [and cut], and the staff are upset, but you get a lot of “ataboys” from the people who are left. Then you go to academics [and cut], and these other people are still mad at you, no one's giving you “ataboys”, then you go to academics and the people who are giving you “ataboys” are very few. It's just this cascade as people start realizing this is a systemic problem. It wasn't an athletics problem, it wasn't an academics problem, it wasn't a blow to the administration problem. It was all of those. It was everything.

Perhaps more difficult than the one-time massive cuts was the development of disciplined spending habits during difficult times at an institution with a short-term history categorized by overspending during booming times. Several participants, including the president, acknowledged that the adjustment to this new reality was one of the institution's most difficult and prolonged adaptations to the recession. The president of Payton College described financial stability this way:

Financial stability is not a destination; it's a discipline. It's not like you get there. You just keep doing the same things over and over. So you have to focus in on what your commitments are. And the hardest thing is to stay true to that when the pressures grow to abandon that.

Finally, Vilma College, the most fiscally unstable of the three institutions, attempted to adjust to the recession by generating more revenue through any source available, but found it nearly impossible to cut costs or grow revenue. Described as “lean” and “spend thrift,”

participants acknowledged that the institution had “very little room to cut.” Instead, the institution had a revenue stream problem that did not increase because “there was not enough going on” at the institution to draw the net tuition revenue stream it needed to sustain operations.

The vice president for enrollment management noted the institutional stale mate by saying:

Things just needed to pop somewhere and we just needed to find a financial stream coming in that we just weren’t able to find at the time. And all the while we are looking at cost figures. Again, there was just not much you could do. In the traditional way of managing, in tough times is you cut everything and that would be the end, and that was the end basically.

In essence, Vilma College was unable to execute any type of significant fiscal maneuver to avoid the pressures of the recession.

Academics adjustments. All three colleges also attempted to make academic adjustments to combat the challenges they faced during the recession; these areas of adjustment focused specifically on curriculum additions or eliminations and the wrestling with online education as an expanded educational platform at the institutions. Each institution made these academic modifications with the aim of increasing its competitive edge or distinctiveness either through generating more enrollment and net tuition revenue or containing costs through limiting expenditures on personnel and course offerings. In a general sense, Payton College made massive cuts to the curriculum placing a renewed focus on traditional liberal arts while Colston College and Vilma College implemented new programs that were defined as more popular and professional. While no institution made transformational changes to its online education approach, the conversation about expanded distance opportunities occurred at all three institutions and was a debatable issue among these liberal arts colleges.

Curriculum changes. During the recession, Colston College focused mainly on adding majors to the curriculum that expanded both it liberal arts program and its professional offerings.

The institution added majors in biochemistry, Chinese, molecular biology, film studies, environmental studies, and as noted in a 2008 presidential memorandum to the campus community, a consortium program with a local medical school in public health. A faculty member at Colston College stated that the institution's curricular additions indicated that the institution made "a move towards what is more popular, what is trendy, that we used to avoid somewhat."

Rather differently, in an effort to combat the pressures caused by Payton College's sustained overspending that were exaggerated by the recession, the institution's board mandated that the administration and faculty reduce the number of academic offerings as one aspect of a comprehensive cost reduction plan. The curriculum reduction was also aimed at providing fewer, higher quality academic programs. As a result, the president gave consideration to recommendations made through a confidential process by an ad hoc faculty committee and cut the number of majors the institution offered in half. The process was implemented through a phased-in approach that allowed teachers and students already at the institution to finish their programs before the programs were eliminated.

Additionally, the institution reorganized its core requirements around a set of courses that presented traditional disciplines in the context of one of three twenty-first century challenges as defined by the faculty. In conjunction with the core revamp, three life-learning communities were established in the campus' residence halls that focused on these same twenty-first century challenges. The institution also attempted to transition from an hour system to a course system, which required students to complete a specific number of 4-hour courses for graduation as opposed to attaining a certain number of credit hours. This transition, according to the provost

and a faculty member, was meant to provide more depth in course material, but the transition process only partially occurred due to faculty resistance. One participant described it this way:

The situation that I came to was a fairly innovative vision that the president expressed with some resistance on the part of the faculty to go all in on that vision, and so we've moved the needle, but probably not as much as we needed to. So, the newness of what we are doing really isn't all that new.

Like Colston College, Vilma College also added new programs during recession times in an effort to increase its attractiveness among prospective students. Participants noted and admissions publications indicated that the institution added a degree in entertainment music industry studies, social work, and a teacher certification program in speech therapy. The entertainment music industry studies major was particularly popular and became one of the strongest academic recruitment tools within a few years of its inception. At one point, the program enrolled nearly 10% of the school's total enrollment. Participants attributed the program's success to the recruitment of a high-quality faculty leader and the institution's geographic location, which was in close proximity to two major metropolitan areas with large music industries. One president recalled that the faculty member...

...became the Bon Jovi of the music department. He looked the part, young man, played a great rock guitar lead. So we got him to come set up this program and we started recruiting the hell out of it. And it was a success almost overnight. Kids loved it.

Additionally, the program in social work was established as the result of a grant opportunity with a local hospital. The president stated that the hospital was interested in providing financial support to the institution as long as the institution produced graduates that contributed to the health care industry. In a general sense, the president and the vice president for academic affairs both indicated that they shepherded the additions of these programs to the curriculum and proactively presented curriculum proposals to the faculty for approval since the faculty were not motivated to develop new programs organically and did not understand the

urgency with which the institution needed to adapt. The vice president for academic affairs recalled the necessity of his preemptive approach this way:

I talked about the new programs. I initiated them because I knew the faculty were not going to initiate them and that's when I got the sense that I needed to push with a sense of urgency, I needed to drive them with a sense of persuasion.

Online education. Participants also discussed how the adaptive strategy of online education was considered or discussed during recession times at their respective institutions. Participants at Colston College indicated that online education was seriously considered as an adaptive strategy to expand learning opportunities that would create an added level of distinction to the institution and alleviate the need for adjunct appointments. Online education was discussed within the framework of offering cooperative classes taught by faculty at consortium or national schools or classes by Colston College's faculty who were actively engaged in research or professional opportunities off campus.

The chief information officer offered a particularly novel example of one preliminary implementation of online education at Colston College:

We are always looking at ways [that] will enable us to offer unique learning experiences by virtue of being able to leverage technology in ways that you haven't been able to do in the past. For example, one of our faculty members was at the democratic national convention this past summer as a delegate from [the state]. So being able to teach a class at the DNC was a very unique learning experience.

The only criterion to online education at Colston College was that it be a "product that really fits the mission of [Colston College]."

Additionally, as noted above, the institution established a cabinet level position in 2011 responsible for information technology. The addition of a senior level position indicated the institution's priority to expanding its technology-based operations including online education.

Oppositely of Colston College, Payton College did not engage in online education. While the vice president of finance and administration noted that the institution discussed online education offerings, he said that they did not seriously investigate or move towards adopting strategies that implemented an online platform into the curriculum. He addressed the lack of movement in pursuing online education adaptive strategies at Payton College when he stated:

I wonder if we've missed opportunities with online learning. It's been batted around. Even the Ivy League schools are doing online learning. I know there are, if you are around here, there are a lot of ads, a lot of colleges on TV with commercials, and they are pushing online activities, online learning, and various things. So, maybe we missed some of that, maybe we didn't. Sometimes I wonder why we didn't at least give that a strong effort, but maybe we felt like our traditional liberal arts style was good enough.

Further, the vice president for enrollment management indicated that the institution was quite restrictive in the amount and type of online education courses it accepted as transfer credits, indicating the institution's overall philosophy towards online education. This limited transfer policy, according to Payton College's vice president for enrollment management, greatly constrained recruitment because students could enroll in other institutions that would transfer existing coursework completed through distance platforms.

Finally, Vilma College's participants indicated that the institution mimicked Payton College with regard to the college's approach to adopting distance methods into the pedagogy of the institution. While the institution discussed ways to implement online opportunities into the curriculum, the administration lacked institutional buy-in and did not have the support to investigate or apply it. One former administrator at Vilma College stated that the faculty did not support the idea, but in hindsight, the administration should have worked to move forward with the approach since it could have led to significant revenue increases. She described it this way:

The other thing that we wanted to try and really had a lot of discussions was online classes, but we had a hard time trying to sell that to the faculty. They were the traditional faculty who believed the classroom. Face-to-face was the best way to receive an

education and so when we would try to say let's try to do this as an online class, they would back away from it. The administration should have pushed a little harder on the faculty and say hey we are trying to save this university we are going to have to come up with some various ways to do this.

Athletics adjustments. The debate regarding the role of athletics within the organization and the priority of expenditures on athletics activities during the recession emerged as a theme at all three case institutions. Again, despite the universal nature of the challenges facing these institutions, each institution still varied in the ways it adapted its athletic programs to respond to the pressures caused by the recession. Colston College added two new athletic programs as recruitment tools with the aim of generating a bigger revenue stream, while Payton College and Vilma College sought to change divisions with Payton College changing to cut costs and Vilma College changing to generate enrollment and revenue. In some ways, the way each institution adapted its athletic programs mimicked its overall adaptive approach to the recession: Colston College invested, Payton College cut, and Vilma College justified increased costs by projecting future revenue.

In the middle of the recession, as Colston College's president and board considered additional ways to increase enrollment, especially in the male population, they established a committee to investigate the feasibility of reinstating men's football. After review of the information, they ultimately decided to reinstate the sport, which was cut from athletics more than 60 years before, and add women's lacrosse. One cabinet member described the positive effect of the addition this way:

Football in and of itself, along with the women's lacrosse offering on the ladies' side, was an effort for us to take, in a short period of time, advantage of an opportunity which would allow us to increase our enrollment in a way that no other initiative could have provided. We are Division III so non-scholarship student-athletes. We established a new recruiting goal of basically 72 student-athletes related to these two new sports the first year and then 30 new students over time each year. That would stabilize out to about 100 additional students and at that level, the sports would more than pay for themselves. Not

through ticket sales, but just with the additional tuition and room and board contributions. In short, the purpose of adding these sports was two-fold; first, the institution's lack of a football program was a significant disadvantage within its athletics conference, and second, the institution believed these two sports were effective recruiting tools.

While Colston College added athletic programs to its roster, Payton College, as part of its overall budget reduction approach to adapt to pressures of the recession, shifted its program from NCAA Division I athletics to NCAA Division III athletics through a phased-in approach. Switching divisions created significant cost savings through salary reductions and lowered travel costs and division fees. This issue was particularly divisive and contentious among board of trustees members and alumni. Many individuals believed part of the school's distinction was in its identity as a Division I institution. While the issue was met with fierce debate, participants in the current study unanimously acknowledged the prudence of the decision. The vice president for advancement said directly, "We moved from Division I to Division III. By any objective view, Division I was mis-positioned at this institution. And we changed the whole approach to athletics."

Similarly, with respect to misaligned athletic programs, participants at Vilma College indicated that the institution attempted to move from NAIA Division I to NCAA Division II during the recession period as the result of two influential board of trustees members' interest in developing a top-level athletics institution. A cabinet member described the process like this:

One of the board of trustees members who was actually a large donor, he thought the way to boost enrollment was to raise the profile and the way to raise the profile was to have a successful athletic program. And he wanted us to move from NAIA to NCAA Division II. We really didn't have the financial stability to go that route [and] we didn't have the facilities they demanded, so this would have really been a huge investment. We would have not been allowed to play our home football games on campus. We would have had to rent a stadium. So, this was a huge undertaking. And I thought it was unviable. It was brought to the board and I would say the board was fairly passive. And they voted to

move in the direction, to investigate this Division II, to open negotiations with conferences. We needed a conference to sponsor that move, so basically, the board made that decision to explore it with the intention of doing it. I believe they voted to go to NCAA Division II in the spring of 2008.

Several participants described this adaptive strategy negatively, and said it was “a point of contention” that presented “ethical issues.” These two trustees, without objection from the rest of the board, aggressively pursued feasibility studies and capital project plans, hired athletic staff and paid them off the books with their own private funds, and contributed millions of dollars towards the development of an elite program.

Additionally, as the institution’s enrollment continued to struggle, these trustees, along with top administrators, agreed to fill empty enrollment slots with athletes who received high tuition discounts. The vice president for student development recalled having as many as 170 football players enrolled at one time. As the athlete population grew, net tuition revenue suffered, and the institution’s culture changed towards a more athletic-focused institution.

Personnel adjustments. All three institutions employed traditional organizational cost-cutting adjustment strategies in terms of personnel changes, although some were more severe than others. Participants from all three institutions noted layoffs, pay cuts or delays in pay, and cuts in retirement contributions during and after the recession.

Layoffs and pay adjustments. At Colston College, the dean of students noted that layoffs were emotionally difficult to implement and, along with no raises in several years and increased benefit costs, damaged the morale of employees who remained on staff. Still, Colston College indicated that the institution minimized the layoffs of staff as much as possible through early and phased-in retirements and hiring freezes. Additionally, no participant mentioned a reduction in faculty labor at Colston College. Yet, a prolonged salary freeze, according to one faculty

member, led campus stakeholders, especially faculty, to question institutional priorities. He stated:

We can go out and establish a program or raise money but not for salaries. And you know they phrase it as look at the other institutions we're being compared to and look where we are, and you know, it's not satisfying honestly, when you are trying to pay bills at home.

Payton College employed the most severe layoff strategy of the three case institutions. As part of its overall budget reduction plan that was dictated by the board and implemented by the president, Payton College eliminated 1 million dollars from its administrative arm and additional funds from its academic arm by laying off 35 people, including tenured faculty positions.

Participants described this process as "painful by any definition," "brutal," and "damaging."

Finally, Vilma College implemented this adaptive strategy in a very sporadic and unsystematic way. The institution had a reputation for underpaying personnel for decades. A past accreditation report, according to participants, described the faculty as "missionaries," referring to their outrageously low salaries. However, during the initial years of the recession and amidst severe financial distress, the institution's president advised the vice president for business affairs to give all staff and faculty a raise, promising to fundraise private dollars to support the increased budget expenditure. A 4% raise was documented in the 2006-2007 projected budget, which was submitted for board of trustees' approval and recorded in board of trustees meeting minutes from 2006, and was also confirmed in participants' data. One cabinet member described the instance as indicative of a larger picture when he said:

So we started the year with a salary increase and we didn't raise the money to cover it. Just another decision of how we did things that cost us down the road. We were not able to cover the cost of that.

This round of raises, the last round the institution ever saw, was never fully covered through additional private funds and was later judged by its accreditation entity as an ill-advised move.

Eventually, within the next two years, the institution's financial situation became so dire that it failed to meet payroll for two entire summer terms and most of its entire final semester of operation. Faculty and staff members eventually received approximately 75% to 80% of their owed salary after the institution's bankruptcy case was settled several months later.

Retirement contribution cuts. In addition to reducing workforces and freezing salaries to control institutional expenditures, all three institutions lowered their contributions to employee retirement accounts, a benefit that was often advertised as a uniquely generous benefit provided by higher education institutions. Colston College cut their contribution in half while Payton College and Vilma College also made significant decreases. This reduction in benefit was especially meaningful for employees close to retirement age. The vice president for finance and administration at Payton College noted that the reduction “was big hit on people's retirements, and people, especially those approaching retirement, would like to see it higher.”

Fundraising adjustments. The pressures of the economic recession also led all three institutions to turn to private fundraising as a mechanism for generating revenue for the institution. In a general sense, regardless of the state of the economy, small liberal arts colleges like these case institutions historically relied on private funding to supplement their operational budget and contribute to fixed program and capital costs. However, during the economic recession, the dependency on private giving grew as a result of strained net tuition and endowment revenue resources. All three institutions engaged in capital campaigns with operational funding needs wrapped into their comprehensive goals.

Of the three institutions, Colston College was the only institution that completed a capital campaign during the recession and met its goal, which led to the completion of the institution's newest capital gems – the student life and technology center and the wellness center

– and endowed several aspects of the institution’s premier engaged learning program. Still, the interim president and dean for institutional advancement acknowledged a brief period when the institution did not ask for major gifts because the recession environment was so negative. The result of this quiet period, however, as described by the institution’s interim president and dean for institutional advancement, was especially noteworthy. He said:

There was a period of time when I pulled everybody together, because it was so bad, it was so ugly, that we made the conscious decision that we weren’t going to ask anybody for a major gift for a period of time, for several months. But I said this is the time we’re supposed to be in front of people. And what we found was, it was amazing to me, was that time we spent in front of people was the most transparent time in those people’s lives for us.

Payton College also engaged in a comprehensive campaign aimed at overcoming their heavy dependence on gifts for operating dollars, but ultimately encountered challenges that led to the unsuccessful completion of the campaign. After experiencing a lag in progress, the campaign was called off shortly after a new administration took office in 2009. According to 2010 board of trustees meeting minutes, the campaign raised just over 40% of its goal by that point, which marked the midway point of the campaign’s timeline. Additionally, the institution suffered another major fundraising setback when, because of the institution’s limited operational funds, the college was forced to ask past donors who gave restricted gifts to the institution to lift the restrictions on their gifts. The president noted that the gifts were

sitting on the restricted side of the books and we got his permission to use it in an unrestricted way and that was huge in making the difference in terms of what [the accreditation entity] was looking at in terms of unrestricted assets.

After lifting gift restrictions, the university used funds to support its necessary operating costs and demonstrated to its accrediting agency that it possessed an adequate level of unrestricted net assets.

Finally, Vilma College also experienced challenges with their comprehensive campaign during the recession. More specifically, the institution ran into significant pushback from prospects who were not satisfied with the state of the institution and refused to support a struggling operation. The institution's final president recalled the difficulty in securing private gifts at the institution's most desperate moments. He said, "Probably the thing that stands out most in my mind is really this concept that it is very difficult for people to give to something that is failing and not healthy. And people said it straight to my face."

In a general sense, Colston College and Vilma College also noted the challenge of limited alumni pools facing their institutions. Vilma College participants described the historical mission of the institution to train "minsters and teachers" who "don't make any money" as a limitation to fundraising. Also, Vilma College's business program, one president noted, was less than 20 years old and had not seen the philanthropic maturation of its alumni. Additionally, the interim president and dean for institutional advancement at Colston College indicated that the alumni were typically considered top prospects belonged to the institution's oldest and smallest classes of graduates. Therefore, the most capable group of donors was also the smallest group.

Finally, all three institutions noted their overdependence on private fundraising for annual operational support. Colston College's interim president and dean for institutional advancement noted that the institution's annual fund supported a larger percentage of its operating budget than it should and was at the higher end of its peer group. Similarly, while Payton College increased its alumni participation in private giving over the past years, it grew its annual fund beyond an ideal size to supplement revenue deficits in net tuition revenue and endowment earnings. One cabinet member described the recent success as mixed with challenges that still needed to be addressed by saying:

[Payton College], in the past, on its annual fund has typically been in the 3 million-dollar range, which is good, probably higher than some other institutions. Good from that standpoint, but not good because you are having to really tap the local donor base wherever you can find the donors. You know when you start to rely on that annual giving that much, there begins to be the signs that we are a little bit out of balance, which means are we spending too much, what is causing us to have to go out and do this? Last year, they raised over 5.2 million dollars or 5.3 million dollars, but that again tells us that there is stress in that area. You can only spread that so wide. We are giving less to endowments to some degree. Overall, gifts are higher, but there is a little bit of shift from endowments to annual fund.

Enrollment adjustments. Further, with enrollment challenges as one of the most prominent themes in terms of external pressures facing these institutions as a result of the economic recession, all three institutions implemented strategies to overcome the squeeze on new enrollment and retention. These strategies focused on recruitment, increased tuition, and discount rate adjustments.

Recruitment strategies. Colston College adapted to enrollment pressures by revamping their campus tours in a way that provided a more interactive and comprehensive campus experience and created a more engaging recruitment experience. The institution also held multiple admissions meetings with the institution's entire staff and demonstrated that "everyone [was] part of the admissions process," especially when prospective students were on campus and experienced the college atmosphere. Payton College increased their efforts by "simply start[ing] with a bigger pool" and limited enrollment to those who "can make a reasonable contribution" to their education. They focused on casting a wider net and recruiting financially capable students. While Vilma College also attempted to widen its pool and recruit out-of-state students to increase revenue, a vice president for enrollment management admitted that the strategy really didn't work. She said, "The different things we tried in recruitment, everyone was trying, because you know there are certain ways you do things."

Increased tuition. In addition to widening the net and creating a more engaging recruitment experience, the three case institutions all increased their tuition rates during the recession as an adaptive strategy with the aim of increasing net tuition revenue to the institution. While Vilma College kept its increases below 10% annually, Payton College raised their tuition as much as 15% in one year, but rolled its fees into a one-package price. And even though Colston College underwent a significant value realignment before the recession and increased its tuition significantly at that time, it continued to increase its tuition throughout the recession in excess of 5%.

Discount rate adjustments. Perhaps more telling than the institution's tuition increases were the strategies implemented at each case institution regarding the institutional discount rate. In a continued effort to generate more revenue, Payton College and Vilma College both worked to reduce their discount rate during the recession. In fact, a reduced discount rate was a primary indicator of financial health at both institutions. At Payton College, participants even regarded reduced discount rate as more important, at least temporarily, than increased enrollment numbers. The vice president for advancement at Payton College described the nature of the situation this way:

The most critical thing is we were discounting at 71% in 2008. We're discounting in the mid 50% range today. And while the reaction to the market shifts at a lot of institutions has been to begin to let their discount rates migrate up a little bit, Payton College was bringing in less than 3 dollars out of 10 for prospective students, and it was not financially feasible to continue that. What we've learned in experience is when you change the discount rate; you are going to have more students who bring in more cash. One of the things we're struggling to get folks to do right now is to get folks off of the notion that the only way to advance the college is by having an enrollment of 1000. We could get to 1000 students if we wanted to go to an 80% discount rate, but that doesn't really advance the college, that doesn't really create what we need. So some of that really is changing the conversation.

Somewhat oppositely, Colston College actually increased the discount rate during the recession. Additionally, the institution established an ad hoc committee to review extenuating cases and provided a supplemental measure of support to especially needy students who were affected by the recession. The vice president for enrollment described the process this way:

For the students who have some really high needs, some unusual things happen, I'll call that group together occasionally to hear some special cases and we respond. We can't give them the world, we're not here to fix all their problems, but I do have the support of my colleagues to provide additional resources to those students. Case-by-case review in that sense.

The institution was able to incur the additional costs of an added tuition discount and ad hoc aid, in part, because it significantly increased its tuition before the recession.

Campus renewal projects. Finally, all three institutions referred to capital improvements on campus as an additional way that each institution sought to make itself more appealing to students with the aim of increasing new enrollment and retention. Of the three institutions, Colston College saw the most transformational change in terms of capital projects. Colston College saw significant improvements during the 2000s decade, adding a 26 million dollar student life and technology center, affectionately referred to as the "campus living room," a 20 million dollar wellness center, and a multi-million dollar urban village that included both student housing and retail space. I observed that all three of these capital projects gave the very traditional, but well-kept campus a modern architectural flare and were the most popular congregating spaces on campus. One faculty member noted that the commitment to capital improvement "has cost money, but it's made it more attractive to a lot of people." Additionally, Payton College spent 5 million dollars updating buildings with more maintenance-level enhancements like heating, ventilation, and air conditioning work, new carpeting, and new paint. The institution also developed a plan to convert one of its dormitories into a more apartment-like

complex with full-sized stoves and refrigerators. Still, I observed several signs of deferred maintenance in and on buildings at Payton College including peeling paint and interior cracks and rust stains on the exterior of several brick buildings. Finally, Vilma College renovated residence halls, the chapel, areas of the student union, and the third floor of the administration building, which housed the business school, one of the college's most popular programs. The capital projects at all three institutions were financed through a combination of private funds, bond issues, and revenue generated from refinancing existing long-term debt.

Research Question Three: How did the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007 affect their operations?

The adaptive strategies employed by the three liberal arts colleges in the current study affected three specific areas of these institutions' operations. Although institutions diverged in how these areas were affected, the role of the board, the administrative leadership and decision-making approach, and the negotiation of faculty involvement were all themes in the current study when discussing operations influenced by the strategies employed to combat the pressures of the recession.

Role of the board. In terms of how the strategies mentioned above affected the operations of the institution, Payton College and Vilma College noted significant departures from the traditional role of the board in response to the pressures of the economic recession with Vilma College's board taking an especially dramatic and prolonged shift from its traditional role. Colston College did not note the board's role as meaningfully different during the recession, but participants did comment on the board's typical role in institutional adjustments and how that

role was maintained throughout the recession. The limited role of Colston College's board was possibly the result of the institution's fairly stable position even during the recession.

Aside from approving the general direction of the institution and the institution's strategic plan, participants at Colston College described a board that was involved but conservative and overseeing in nature. Participants discussed how the board worked with the president in 2002 and 2003 to examine market research and identify threats to the college. The vice president for enrollment described the process as the "president [getting] the support [from the board] to do market research that allowed him to start to move things forward." This process ultimately led to the development of the institution's engaged learning program. Additionally, another participant described the board's role as giving "feedback and input" regarding the faculty and administration's recommendations for the next strategic plan. In general, however, these practices were not identified as new or different as a result of adaptive strategies employed by the institution.

The role of the board at Payton College, however, did change as a result of the recession. In an effort to respond to the market crash and subsequent economic recession and to compensate for the institution's pattern of overspending, the board of trustees at Payton College issued a five-point board resolution identifying specific targets for the institution over a five-year period. The resolution was specific and direct, mandating new priorities, new positions, reduced programming, increased enrollment, a lower spend rate, and a balanced budget. When asked if the board had ever taken steps of this nature in the past to correct an institutional issue, a board of trustee member, who served on the board for more than 15 years, said "In my experience, the board had never done anything that radical." Additionally, a faculty member described the

stimulus for institutional change through these identified initiatives as “largely a board-driven process.”

And in the most extreme departure for its normal operations, participants at Vilma College described the role of the board as increasingly intrusive, disruptive, and unhealthy throughout the recession. The nature of the board’s role changed at Vilma College when a president appointed two specific donors, one parent and one alumnus, to the board of trustees. Both members were invited to join the board by virtue of their philanthropy to the institution and their known future capacity. Ironically, participants described the two trustees as both responsible for “running the institution” and eventually for “shutting it down.” One participant described the situation this way:

Between him and the other guy, over the course of their time while I was there, I would say they gave between, rough estimate, between 7.5 and 10 million dollars, more money than anybody had ever given. And they’d sort of match each other. It was a very costly relationship.

In short, the president’s approach was to use the funding provided by these two trustees to fund the institution’s operations until they could recover and generate a steady flow of revenue again. However, the approach became complicated when, as the vice president for academic affairs noted, “as a result of them giving money, [the board of trustees members] wanted to see things done now” and they became “more and more involved in day-to-day affairs.” The two board of trustees members “felt like they had more influence because they were putting more into it.”

Several participants noted the growing influence these board of trustees members gained over institutional operations, priorities, and personnel. They were involved in hiring and firing people, often at their pleasure and on a moment’s notice. They were “partially floating the school” and paying for aspects of the operations off the books such as the salaries of the football coach and athletic director. One of the trustees’ daughters, upon graduating from the institution,

was given a job in the admissions office and then promptly promoted ahead of other longer-term employees. And at one point, one of the board of trustees members took out his own ad in *The Chronicle for Higher Education* soliciting applications for a new president. Four participants noted that these individuals habitually and obsessively called the president as many as “six or seven times a day” for “two or three hours” at a time to advise him on aspects of the institution’s operations. One cabinet member went as far as saying she didn’t readily recall a meeting that she had with the president that was not interrupted by a call from one of these two board of trustees members.

The board of trustees members were described as “very controlling,” “arrogant,” “unreasonable,” and as individuals who “[ran] completely against the grain of anything having to do with the liberal arts.” Interestingly, two of the last three presidents at Vilma College commented on the complexity of the predicament of firing these board of trustees members:

My question was how do I fire somebody that’s writing million dollar checks that is keeping us going. People would say, “You have to find a way to lessen his influence.” I said absolutely; help me find that way because anybody else I talked to doesn’t have anywhere close to the resources they are committing.

The second president echoed those same ideas, admitting that revenue, despite its source, had to be the focus in order to sustain the institution. He said:

Quite frankly if they would have written me a check I probably would have taken it, and I’m not proud to say that, but because I had people who weren’t getting paid and my heart was breaking. I said if the Colombian drug lords pulled up and dropped off bags of 100-dollar bills, I’d take it too. I used this metaphor: if I’m drowning and there’s a boat going by, I’m going to jump in and pray it’s a bunch of nuns and not Nazis. I don’t have a choice at this point in time.

Yet, participants almost unanimously agreed that the board of trustees members mentioned here “made it difficult to operate the institution.” Additionally, participants described a larger board

that was passive and a president that allowed these members to remain active in the institution's business.

Administrative approach to leadership and decision-making. In addition to the changing nature of the board, participants from each institution commented on the nature of the institution's administrative approach to leadership and decision-making during the recession period and how it differed from earlier times. All three institutions had relatively new presidents during the recession so their administrative approach to leadership and decision-making was largely defined as an operation that was distinctive during the recession. The approaches, as defined by participants, resembled participants' perceptions of faculty involvement, which follows this section as a separate theme, but also indicated more comprehensive methods that went beyond the level of faculty input. Generally speaking, Colston College noted the consensual nature of the decision-making process, Payton College defined a more directive approach to leadership, and Vilma College defined an even more exclusive decision-making process. As part of this discussion, participants at all three institutions noted the institutions' use of strategic plans, and participants at Payton College and Vilma College noted personnel turnover, as subthemes of the administrations' approach and the effects of organizational adaptive strategies on the institution.

Colston College's participants described an institution that was constantly brainstorming and implementing new ideas and planning for future innovation regardless of the nature of the external environment. One faculty member discussed this process as refusing to "rest on your laurels" and "keeping ahead of the curve if you can." Additionally, he indicated the process of innovation was everyone's responsibility at the institution and that the institution embraced a consensus approach. He then stated, "Everything we do just about involves faculty, and students,

and administration.” While this level of consensus building appeared to lead to greater buy-in for institutional adaptive strategies such as the engaged learning program and the strategic plan, it also came with the sacrifice of a slower process of change. One cabinet member described that slower process this way:

The culture in academia is consensus and committee compared to the speed of a startup for example, where you really can do things overnight. You just can’t turn the ship that quickly in higher education. [Colston College] is a school like a lot of other schools in that you really have to have a lot of conversations and a lot of coalition building.

Still, in a general sense, participants at Colston College perceived this consensual process as adaptive and productive.

Payton College took a somewhat different approach to leadership and decision-making than Colston College did. According to interviews with the president and cabinet of Payton College, the leadership approach of the institution focused more on commitment to directive action than to consensus building. One cabinet member described this approach as “having the adult conversation.” Another cabinet member described the institution’s leadership approach succinctly by saying:

What we need to do is take principled positions with the best information available and then stay the course. And then evaluate. Follow our talk with actually doing it. I’ve seen it before, administrations take positions and then when they get negative feedback, they get cold feet and they run away. [The president] is, if anything, irritatingly consistent. And that raises his esteem in my eyes because that’s what you have to have in a CEO. You need someone who is willing to stick to their guns.

Finally, participants at Vilma College indicated an administrative leadership approach that became exclusive, passive, and ambivalent as the recession progressed and the institution tried to adapt. One former cabinet member described the progression this way:

In the first year when I was on the senior team, I would take it directly to the president almost without fail. That was really how we operated. Later on, a lot of the decisions had moved completely to the back room. It had become very good ole boys, which was the point at which I felt I needed to move on. I couldn’t get an audience when I needed it.

And I worked so hard. And that did not sit well with me.

Additionally, a faculty member described the uncertainty of who truly possessed the power to make decisions at the institution.

I honestly don't know [who had power to make decision]. Of course, the president did, but I think he was influenced by other elements, possibly members on the board of trustees, possibly off the board of trustees. There were names floating around. There were a couple of people who came to a faculty meeting, large donors, donated a lot of money and who we believed with good reason were having an undue influence on how the college was being run. Our accreditation agency had requirements like shared governance and those sorts of things, and we were realizing that we were not being involved in any decisions.

In a general sense, the overall process was judged largely by the progressive influence of two overly involved board of trustees members and the impact they had on the president and the nature of administrative leadership and decision-making at the institution during the recession.

Personnel turnover. As a subtheme of the administrative leadership and decision-making approach, two institutions, Payton College and Vilma College, noted the increased turnover in the president's executive administration or cabinet. Participants from both institutions indicated that the increased turnover was a symptom of the nature of the administrative leadership and decision-making approaches during recession times as the institutions tried to implement adaptive strategies. Payton College participants described the cabinet as "incredibly volatile and unstable" and the turnover as "tremendous" and "a real challenge." More specifically, a faculty member indicated that the turnover was "incredibly detrimental to morale and faith in the institution." Participants at Vilma College echoed the same types of comments by noting that the cabinet "had very little consistency" and "no stability." A cabinet member gave a descriptive account of how the turnover allowed the institution to assign responsibility for institutional failures to specific position holders. She said, "We were in such a cycle of blaming whoever left

and putting the next person on the pedestal as the one who will fix it. They were simultaneously the scapegoats and the saviors.”

Strategic plan. Additionally, participants from all three institutions indicated that the implementation of a strategic plan was a central aspect of the administrative leadership and decision-making approaches during recession times. Colston College’s strategic plan was developed in pre-recession times and guided the maturation of the engaged learning program and capital improvements during the recession. As early as 2008, a presidential memorandum found on the institution’s website mandated the senior staff to address consultant recommendations for new long-term initiatives related to the 2012 strategic plan that projected goals until 2022. The institution also established a cabinet-level position charged with oversight of strategic initiatives that, according to the position holder, included “working with colleagues on the senior leadership team to formulate a new strategic plan that will move the college forward for the next 10 years.” The new strategic plan was developed by several subcommittees and, at the time of the current study’s fieldwork, was slated for board approval in 2013. The plan’s purpose was to guide the institution’s work until 2022. Somewhat oppositely, one faculty member at Payton College indicated that the college did not have an active strategic plan, but recently activated a committee charged to look at the last strategic plan, established in 2007 before the recession, and determine “where we stand on that and what do we need to do to move forward.” The institution’s website also indicated that its last strategic plan was published in 2007 and was still publicly available online. Additionally, when asked about long-term projections at Payton College, participants indicated that most people were more concerned with present times than projecting future goals and figures. And finally, participants at Vilma College indicated that the lack of strategic plan contributed to the ambiguous nature of the institution’s operation and vision. One cabinet

member articulately communicated this challenge:

We were just trying to go almost from day to day. There was no idea where we'd be in three years or four years other than this magic we want to have 1000 students, but no way of how we were going to get there.

Additionally, one faculty member described it this way: "The goal was sort of let's just go raise money and let's get enrollment up without a real strategic plan in place. That really ended up being a problem." The chief student affairs officer noted that the institution lacked a coherent plan and a "specific person whose job it was to execute it." Instead of a plan, the institution had broad targets, but did not define ways to achieve its goals, which created difficulty in implementing sustained change.

Negotiation of faculty involvement. Finally, participants at all three institutions noted shifts in faculty involvement as a result of the institution's adjustments to the pressures of the recession. With a strong emphasis placed on shared governance and an extensive faculty committee structure at all three institutions, this theme was a prominent theme in the study and participants offered divergent viewpoints at all three institutions. Through coding, it appeared that participants at Colston College were generally satisfied with the nature of faculty involvement whereas participants at Payton College and Vilma College were more dissatisfied. In a general sense, participants' data focused on the role faculty had in decision-making and the level at which faculty were aware of the institution's general operations.

At Colston College, participants' comments regarding level of faculty involvement indicated that the faculty were involved in transformational changes like the development and implementation of the engaged learning program, the reinstatement of football, and the formation of the strategic plan. Several participants noted the prominence of the faculty's role in developing the direction and core of the engaged learning program. A faculty member, who

served as chair of the faculty committee charged with developing the program, spoke highly of his colleagues who worked alongside him to establish the new curriculum. Further, he indicated that buy-in into the idea developed over time through deliberate discussions. He described the process this way:

We established the committee on experiential learning. We had a lot of really good people on there from the faculty and they were well respected by their peers. And when you have a group of well-respected faculty that worked really hard, and we tried to make sure that it was something that was developing organically within the institution. There were good people involved, there were good ideas, and there was buy-in to the idea that we had to do something. The buy-in came in from two years of deliberate work and frequent report and discussions with the faculty as a whole. And gathering information from the student body and keeping the trustees informed.

While the implementation of the engaged learning program actually took place before the recession, participants pointed to that process as indicative of institutional practice during the recession. Participants also discussed how decisions such as the reinstatement of football and the development of the strategic plan both gave priority to faculty involvement in the discussion phases of the decision. And while most faculty members were “disinclined to the reinstatement of football,” the decision-making process was still described as deliberate and consensus-focused in nature. Additionally, a relatively new cabinet member indicated that it was made clear to him that keeping the faculty well informed was an institutional priority. More specifically, he said:

From the day I came in the door, it was emphasized to me, that transparency is important and I guess that I can say that it is an evolving process at [Colston College]. I would say that the faculty know a lot about what’s going on and they know more and more each month. We have committees that are charged with serving as avenues of communication from the administration to the faculty and even though I don’t think we are to the point that we want to call a resting point, we have a very strong process in place that is continually improving communication about the business of the college. And I really think it is necessary. It is necessary that the faculty understand why we have to make really tough decisions.

While Payton College also involved faculty in its adaptive strategies to respond to the pressures of the recession, participants diverged in their perceptions of level and value of faculty

involvement in the processes. As part of the budget restructuring process, the president consulted with the leading faculty committee regarding how to involve faculty in the academic curriculum restructuring process. According to participants, institutional constituencies made the decision to establish an ad hoc committee made up of faculty chairs of existing committees as well as faculty members chosen at large from select divisions. The community agreed that the process of deciding which academic programs would be eliminated needed to be a confidential committee process. The committee made recommendations to the president, who had ultimate authority on academic cuts and modifications to programs. The ad hoc committee wrote two letters to the president during this process; the first acknowledged that the process was “consultative” and the second requested that the recommendations not be vetted through faculty committees, but instead taken straight to the board for approval. Before presenting his recommendations to the board, the president presented his recommendations to the entire faculty at a regularly scheduled faculty meeting. When given an opportunity to comment on the changes or ask questions, the president recalled that the room was quiet and not one faculty member offered a question, comment, or motion. The entire faculty never voted on the academic changes.

Several aspects of faculty involvement were commented on throughout interviews at Payton College. First, in a general sense, a faculty member discussed why faculty involvement was so important at the institution by saying:

It’s that service piece to the college, I mean the actual running of the institution and the mechanisms of the college and participating in the running of the mechanisms of the college, that is incredibly important in a small liberal arts college and is certainly central to faculty life at [Payton College]. So we spend a lot of time doing that, and because of that we are highly invested.

Service to the college was second only to teaching for faculty members at Payton College. Therefore, it was a highly valued and protected process by faculty members. Yet, participant

comments indicated that the faculty's perception of what their role ought to be at Payton College was not completely appreciated. One cabinet member noted that the faculty had the "most unbelievable onerous committee structure" he had ever seen. Another participant noted that the faculty, although they liked to discuss issues, did not embrace decision-making, which made implementing change difficult at the institution. He described his frustration this way:

Their subcommittee was given full discretion over who comprised the nine-member committee and the recommendations to restructure the academic structure. The trouble with many faculty is that they want to deliberate but they don't want to take the heat. They don't want to say yes or no, and that's very hard. It's not fun, but at the end of the day you've got to make decisions, and they are almost never perfect, but you either make a decision or you don't, and you try to make decisions that are a whole lot better than not making decisions. It's an imperfect world and we were trying to deal with the survival of the institution not wear everybody out fighting battles.

The divergence of perception of what the faculty's role was and ought to be at Payton College was reiterated through varied participant comments. One faculty member described the ambiguous nature of the president's relationship with faculty and said that when it came to including faculty in the process of institutional decision-making, "sometimes he does, sometimes he doesn't." But, another cabinet member said, "faculty has a larger stake in shared governance than any other place" he knew. Still, another member of the cabinet conceded that the adaptive strategies implemented during the recession were implemented with less faculty involvement than in previous times.

I would suspect that some of our faculty would certainly say that their role in determining all of the elements of the college may have decreased somewhat. And I don't want to be too defensive about that, but I think you have administrators to administer, you have faculty to teach. And their role is very important, but I don't go into the biology department and say, "You know if you taught this a little bit differently, and if you ran this lab a little differently..." but I think the tradition here had been, probably under at least the last two and maybe three presidents, that the faculty had a little bit more control. And I think that contributed to the financial situation that [the president] inherited.

Participants at Payton College also noted that the adaptive strategies employed to combat the pressures of the recession were sweeping and swift and impacted the quality of the administration's relationship with the faculty. According to participants, the administrative, academic, and athletic realignments, and the way by which they were implemented were "extraordinarily painful" and "gave [the faculty] a certain level of distrust." They indicated that this distrust led to limited buy-in into the president's vision, and one participant described the effect of limited buy-in of institutional constituents this way:

A fairly innovative vision that the president expressed with some resistance on the part of the faculty to go all in on that vision, and so we've moved the needle, but probably not as much as we needed to. So, the newness of what we are doing really isn't all that new.

In short, one participant frankly noted that, as a researcher, I was "not going to find universal satisfaction with the approach the college has taken" when interviewing his colleagues.

While Vilma College's faculty handbook established policies and procedures for shared governance, faculty involvement in decision-making was described as extremely limited during the recession times. In fact, the accreditation entity cited the institution for issues of shared governance and administrative control throughout its reaccreditation process from 2008 to 2011 (Report of the reaffirmation committee, 2008). During the recession, decisions largely occurred at the institution's board and executive committee level instead of through a process of shared governance. One faculty member recalled the lack of faculty involvement in making institutional shifts regarding athletics. He said:

There was one point we had a faculty meeting where the president announced we would be focusing very strongly on our athletic teams particularly the football team and the basketball team and that would bring students to [Vilma College]. We would put all this money and all this time into renovating and all of this sort of stuff and we'd have a really good football team and other students would see that we had a really good football team and would want to come. And I stood up and said to the president, "Forgive me, but we are social scientists and we make decisions based on evidence, and I'd like to know if there is any evidence anywhere that this is actually going to happen." And he said, "No,

we just think it's going to happen." And my colleagues said this is not right, this is not acceptable, there is no evidence, this is not acceptable, we hadn't had raises in years and years and years and how can this be. And that was it. And they did it.

Beyond even the actual decision-making processes, participants indicated that the level of general information sharing with faculty about the institution was extremely limited. A faculty member noted, "faculty knew next to nothing" and were "constantly questioning" the administration and "challenged what they were doing and how they were doing it." As a result, some faculty perceived administration to devalue the faculty's role as institutional constituents. More specifically, the same faculty member described it this way:

I constantly got the feeling that I was not respected for being able to make those decisions. I think we were ignored from the very beginning by board of trustees and administration. We were just faculty. We weren't anything else. That was a mistake. And that's why shared governance is really important. It was always kind of about us without us. And they were committed and sincere, they just didn't have enough to get it done and never talked to us about it.

Research Question Four: How did institutional constituents perceive the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007?

Participants' perceptions of the strategies employed to overcome the external environmental pressures during the recession at the three liberal arts colleges in the current study centered on two themes. Participants discussed their perceptions of these strategies, framing them as reflections of the institutions' leadership and as guides for the institutions' identities.

Reflection of leadership. Participants throughout the study pointed to the nature of the adjustments employed at all three institutions to combat the pressures of the recession as a reflection of the institution's leadership. Colston College and Payton College focused on the leadership of the institutions' presidents while Vilma College pointed to the role of the board and the president in institutional changes during recession times. For better or worse, constituents

perceived the adaptive strategies employed as a reflection of the quality of the institutions' leadership who employed them. Perhaps not surprisingly, participants at Colston College, the institution that remained the most stable during the recession, reviewed their president most favorably; participants at Vilma College, the institution that closed, strongly critiqued the board and the presidents' leadership; and participants at Payton College, the institution that made massive cuts in an effort to balance their budget, were cautious in their assessment of its leadership, noting past successes but stating significant concern about the future.

While Colston College participants acknowledged the collaborative nature of the implementation of the engaged learning program and the investment in the campus and its programs during the recession, multiple participants indicated that the institution's successes were, in large part, due to the nature and vision of the president's leadership. Several participants reflected on times when the president delivered persuasive speeches in faculty and staff meetings that convinced constituents of the need to innovate. The dean of students described it this way:

I thought the president did a good job at just saying this is what we are facing and we want to make it so that we all get through this together. It was very much a rallying. Like we're going to do the best we can to adjust to this.

Participants also described him as "very ambitious" in implementing change and possessing the "understanding that they had to innovate and be different."

A few participants from Payton College also described their president's leadership as visionary, although perceptions diverged more at this institution than they did at Colston College. While a visionary, participants also indicated that the president assumed an authoritative role as well and said that he "was collaborative to an extent, but there is no doubt who has the final say on the direction of the college." Consequently, one faculty member described the challenges associated with this type of leadership at a small, private liberal arts institution:

The difficulty when you are a leader and you're in a situation like this when you have to make a number of decisions really quickly and you have to right a ship really quickly is that you don't necessarily feel like you have time to thoroughly vet every substantial decision that is being made and if you don't thoroughly vet those key decisions, it produces other additional problems. It has other ramifications because you don't necessarily have buy-in because the decision is made without people feeling fully informed and like they were able to fully contribute to the situation. I think that's an issue. I think for anyone facing this, it's a rock and a hard place, but you have to figure out how to negotiate having to make decisions quickly and nonetheless how to make your various constituencies feel like they are being consulted and they are being listened to and that there is collaborations and compromise on how the decisions are made and what decisions are made so you have that buy-in. And that will slow things down. And so you have to make decisions about what will cost more. What are the ramifications of creating that kind of socio-political environment because it doesn't just go away.

In this sense, Payton College's leadership was perceived as limitedly collaborative.

Finally, Vilma College participants perceived the inability to sustain adaptation in recession times as a reflection of the dysfunctional leadership at the presidential and board levels. While the institution's president was perceived to be strong leader in fundraising and public relations, participants judged the administrative and fiscal leadership as lacking and characterized the presidency as one with a "limited vision." Additionally, participants discussed the institution as an organization that "suffered from a lot of administrative mismanagement" and one that was "hungry for leadership." In an effort to be everything to everyone, participants stated that the leadership's inability to say no to specific constituents and drive the institution in a focused and purposeful direction ultimately caused confusion and undermined the authority of the senior-level staff. One cabinet member described it this way:

[The president] had a trait in trying to please everybody and he had difficulty in saying no. It undermined all the vice presidents. A department head would say we need a new faculty member. The faculty member would go to the president and the president would say yes. The same thing was going on in business; the same thing was going on in student life. A student would get fined for drinking in the dorms; the dean of students would fine them. They would go and appeal to the president; the president would rescind the fine. It was undermining everyone's authority.

Additionally, the president's commitment to being directed almost entirely by an overreaching board of trustees limited the level of empowerment his senior staff and faculty felt. One faculty member defined it this way:

He was very susceptible to other influences, other people's influences, like board of trustee influences especially because he needed money. He knew how much in debt we were. And anytime somebody said we'll donate this money if you do this and this, he would just do it and not tell anybody.

Cabinet members noted that the president "wasn't listening to the individuals he was relying on" and "was not looking to his staff for direction, he was looking for his staff to support him."

Finally, Vilma College participants also held the board accountable for the way adaptive strategies were implemented during the recession, indicating that their oversight was minimal, misguided, and unethical at times. One cabinet member characterized the board as "overly active and should have been controlled" and another noted that the board was not "vigilant enough about what was going on." When asked what the institution's biggest shortcoming was, a faculty member responded this way:

A board of trustees who did not recognize what an institution - a private liberal arts institution like this - could be and had to be. Did not realize it. Did not have the complete commitment to making this do what it could have done. Definitely individuals, but not complete. They made bad decisions all around.

In short, participants perceived the board to be an ineffective group that was "simply glad to be chosen," was not attentive, and was not able to hire effective presidents. Eventually, the passivity of the board and the president allowed two ambitious and aggressive board of trustees members with high financial capacity to "run the place."

Lack of transparency. As a subtheme of participants' perceptions of leadership as it was reflected in institutional adaptation, participants at two institutions, Payton College and Vilma College, also commented on issues of transparency during the adaptation process and the

challenges associated with a lack of information sharing during institutional adaptation. One cabinet member at Payton College noted that the “guardedness of information” by the institution was “strange” to him while a faculty member described the confidential nature of the faculty committee’s work on the institution’s academic restructuring as an “incredibly difficult and damaging process.” Similarly, participants at Vilma College who reflected on the institution’s dire financial and administrative challenges noted that “had [there] been more transparency people would have reacted better to it. They would have been more engaged...” Participants indicated that Vilma College had no transparency or disclosure and operated in a world of “secrecy” regarding institutional and financial operations. When the interim president finally disclosed to campus constituents the depth of the institution’s issues less than two years before it closed, people were surprised and shocked. A vice president for enrollment management noted, “I really felt like we were a day late and a dollar short on [telling people].”

Perhaps most telling, a member of the board of trustees at Vilma College stated that he did not “really have a clear picture [of the institution’s situation] until [he] came on the executive committee.” He served on the board for more than two years before moving to the executive committee and, until that point, did not truly understand the institution’s situation. He described the larger group of board of trustees as a group that included several position holders in the church and community, and said that the nature of the board did not present a situation where the board could “get a lot of accomplished.” Instead, “most of the decision-making was done within the executive committee of the board of trustees.”

Issues of identity. Finally, participants’ perceptions about the institutions’ adaptive strategies employed as a result of environmental pressures caused by the recession were related to how participants saw those strategies contribute to the identity of the institutions. Participants

also discussed the importance of institutional identity in future adaptation in the post-recession world. Examining the institutions broadly, Colston College branded itself with an identity based on its engaged learning program, Payton College had yet to solidify its new identity, and Vilma College, according to some participants, never quite mastered branding its institution.

Colston College judged the engaged learning program and its continued priority on the program as a positive adaptive strategy at the institution largely because it allowed the institution to redefine itself as a nationally innovative institution focused on experiential opportunities, which were already “authentic” to the institution. Additionally, participants at Colston College noted that the institution needed to continue redefining or more clearly defining its identity through new adaptive strategies. The interim president and dean for institutional advancement described it this way:

Every institution has to find a niche, if you will, that defines them. And [Colston College] was able to do that with the engaged learning program. And this next thing we are looking at now has the potential to give us an additional level of distinction.

In this way, Colston College viewed the continual adaptation of the institution as a process that led to a more clearly established identity.

Payton College, which underwent significant restructuring, most notably through drastic cuts of programs and personnel, noted its continued negotiation of identity as a concern. Additionally, participants stated that its branding issues were reflective of the challenges that faced the institution as a result of the ways the institution adapted to recessionary pressures. One faculty member noted that the inconsistency of branding was truly misleading because the product the institution offered for more than a decade remained virtually the same. More specifically, the faculty member described it this way:

In terms of marketing itself, [Payton College], over the period that I’ve been here, has tried to rebrand itself at least twice and maybe three times, and that I think, it’s too much,

too quickly. The opportunity to be consistent so that you build on that branding; I think that opportunity has been missed. I don't think that in the whole period I've been here, I don't feel like what we have to offer on the market economy has changed that much, but if you look at the branding, it looks like it's all over the place. I don't think the educational experience has changed that much.

Additionally, the president also discussed the challenge of naming and embracing the institution's identity as an ongoing issue facing the institution.

My call to the community was we can't come out of this just being a smaller, more limited version of ourselves. We have to see this as a way of concentrating on our strengths that will allow us to flourish as we go forward, but we need to come out of this on the other side of this different than what we went into it.

In an overall sense, participants were most concerned with the institution's need to establish some level of consistency in its branding and "clarity in the marketplace."

Lastly, participants discussed issues of branding at Vilma College as one of the most difficult and long-term challenges that faced the institution. Vilma College's inability to effectively define, market, and embrace its identity led to an institution that everyone perceived differently and valued differently. Participants admitted that the institution did not have "a compelling story" and could not find a way to "redefine ourselves" and "be attractive to have students want to come." Consequently, the institution never articulated their value or their product in a way that sustained a critical mass of paying students to support its existence.

Chapter Summary

The findings of the current study were presented in a two-part analysis through an institutional profile of each case institution and through a comprehensive overview of themes across all three institutions. The themes were presented in the context of the current study's four research questions.

All three institutions were similar in several ways. All three institutions were affiliated with the same Protestant denomination and were small, private, residential liberal arts colleges in

the south. All three institutions were relatively similar in size of enrollment, faculty, staff, and boards. All three institutions maintained athletic programs that led to contentious decisions at times. All three institutions had several student life programs. All three put a priority on the level of academic rigor and value of faculty academic advising and mentorship. And finally, all three institutions depended on a financial revenue formula made up of net tuition, private gifts, and endowment earnings.

Yet, while all three institutions had a strong, shared history, each institution was in a very different financial and operational situation before the market crash and recession of 2007. Vilma College was in especially precarious financial shape with a nominal endowment. Although Payton College had the security of a larger endowment, institutional practice did not protect the endowment's corpus and its revenue streams did not work to create sustainable future. Finally, Colston College saw record enrollment and revenue numbers before and during the recession, however its participants still acknowledged challenges in maintaining spending practices within financially recommended parameters.

While each institution responded to its individual pressures in a way specific to its institutional history and culture, this study drew broad themes among all three institutions regarding the adaptive strategies employed to overcome specific external pressures during the Great Recession of 2007. Additionally, the study examined how these adaptive strategies influenced the operations of the colleges and how organizational constituencies perceived them. Understanding these common themes as well as the differences among each institution is important in furthering research on the organizational adaptation of liberal arts colleges in the twenty-first century and in informing practice and policy in these institutions.

CHAPTER V

DISCUSSION

The advances of the 20th and the twenty-first centuries led to significant economic and societal shifts and created new challenges for the liberal arts college model in American higher

education. More specifically, in the wake of the Great Recession of 2007, many liberal arts colleges struggled to remain operational due to increased financial and enrollment pressures and sought ways to adapt to the external context while also abiding by their institutional missions and established functions (Chabotar, 2010). Yet, there was limited scholarly research examining how liberal arts colleges, especially the smaller and more financially vulnerable schools that were most affected by significant endowment losses and recruitment and retention strains, adapted to recent changing external circumstances (Chabotar, 2010). The lack of scholarly research focused on these colleges' adaptation processes creates a huge gap of knowledge in both higher education and organizational research arenas. Examining the adaptation of the small, private liberal arts college during the 2007 recession in this study serves two primary purposes. First, it provides the next chapter of literature in the survival story of America's oldest educational entity, and second, it expands the organizational research base, which serves to inform modern institutional practice.

This chapter provides a contextualized understanding of the findings presented in Chapter IV. In this chapter, I broadly review the findings first, within the framework of the current study's research questions, and second, with the lens of the existing literature and Cameron's (1984) organizational adaptation theoretical model. Additionally, this chapter concludes with a discussion of the current's study's limitations and recommendations for future research and practice and policy.

Overview of the Study

After examining the existing research related to the adaptive nature and history of liberal arts colleges, and after conducting an analysis of Cameron's (1984) organizational adaptation theoretical framework, the current study sought to understand how private liberal arts colleges adapted during the Great Recession of 2007 by examining institutional changes at three private

liberal arts colleges and their effects on the institutions' operations. The current study's purpose was accomplished by addressing four specific research questions:

1. What external environmental pressures influenced the liberal arts colleges during the Great Recession of 2007?
2. What adaptive strategies did the liberal arts colleges employ to respond to the external environmental pressures during the Great Recession of 2007?
3. How did the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007 affect their operations?
4. How did institutional constituents perceive the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007?

I employed a qualitative multiple-case study approach to answer the established research questions. This type of research approach is most fitting when investigating process-focused questions in units of analysis that are embedded within multiple contexts (Denzin & Lincoln, 1997; Merriam, 2009; Yin, 2009). Additionally, the current study produced more powerful and valid findings by examining multiple cases instead of a single case, which enabled me to rely on a diversified database and interpret findings both within and across cases (Merriam, 2009; Stake, 2000; Yin, 2009).

To ensure a diversified database, I collected data from three different information sources at three liberal arts colleges that varied in their adaptation during the last decade; data sources included participant interview data, historical document analysis, and observational field notes. More specifically, document data were collected during a 10-month period while interview and

observational data were collected during a three-month phase in early 2013. In all, I conducted 31 participant interviews that consisted of participants from the three case institutions, however one participant later withdrew from the study citing confidentiality concerns. Participants included a combination of board of trustees members, presidents, cabinet members, and faculty members who served in leadership roles within the faculty governing body. Interviews were semi-structured and open-ended in nature.

In addition to collecting and analyzing data from 30 participant interviews, I collected and analyzed documents associated with all three case institutions throughout the current study. These documents included both public and private documents that were acquired through library or online resources or provided to me by participants in the current study. Finally, I spent multiple days on each case institution's campus and observed informal constituent interactions and operations. During the observation portion of the fieldwork, I used the campus' facilities and explored the institution, but maintained a nonparticipant role. My observational field notes served to corroborate participants' data and document analysis. Together, these three diverse data sources - participant interviews, document analysis, and observational field notes - provided raw material for in-depth analysis in the current study.

Following data transcription and coding, I conducted data analysis at two equally important levels; first, I developed a holistic case profile or case record for each institution, and second, I examined all three cases together and analyzed the data in a comparative fashion. At both levels, I worked through the descriptive phase of analysis followed by the interpretative phase of analysis. To adequately represent these two processes, Chapter IV first presented an individual case record of each case institution and then gave a comparative overview of common themes among all three institutions within the context of the established research questions

(Merriam, 2009; Stake, 2000). This approach ensured that the study gave attention to both the descriptive focus of each individual entity as well as a comparative analysis across cases.

Conclusions

Both a holistic understanding of the individual nature and operations of each case institution and identification of broad themes that crossed over all three liberal arts colleges informed the current study's conclusions and contributed to the overall assessment of how these institutions were pressured by the economic recession of 2007, how they employed adaptive strategies, how those strategies affected their operations, and how institutional constituents perceived those adaptive strategies.

Research Question One: What external environmental pressures influenced the liberal arts colleges during the Great Recession of 2007?

I identified three primary ways the economic recession of 2007 pressured the case institutions. First, the recession eliminated institutions' financial flexibility and cushion and served as an impetus to address and rectify unsustainable fiscal practices. In short, the recession forced institutions to align their operations within their financial means. Consequently, Colston College fared better than Payton College and Vilma College throughout the recession because it benefited from growing enrollment and tuition revenue associated with its recently established innovative engaged learning program. Impressively, Colston College attracted more students and more revenue during the recession than at any other time in its history. Even with the pressure of the recession, the institution largely maintained its momentum and maintained a healthy operational level of self-sufficiency, addressing only incidental issues caused by the recession. Oppositely, Payton College and Vilma College operated with unbalanced budgets prior to the recession, either as a result of overspending or dwindling revenue. Both depended largely on

irregular sources of income like large private gifts or record high endowment earnings to sustain their operations even before the market crashed in 2007. In both cases, the economic recession of 2007 eliminated their ability to operate in a lopsided way and the institutions felt the double blow of having to adjust its unsustainable internal practices during bad economic times.

In a more specific sense, the recession challenged all three case institutions in two major ways; first, they experienced tremendous endowment losses, and second, they saw growing enrollment pressures during this time. As a second theme of the current study's findings, all three institutions saw significant endowment losses in spendable earnings and corpuses during the recession. Participants' interviews at Colston College and Payton College indicated that these two institutions lost as much as 30% of their nine-figure endowments within a few short years. Additionally, Vilma College's endowment, although significantly smaller in size, was also negatively affected by increased financial regulations brought on by the economic recession. These increased regulations implemented by Vilma College's banks and the Department of Education severely limited the institution's ability to use its endowment as collateral for long-term loans and federal aid. Therefore, in a general sense, endowment losses created a sudden jolt to the case institutions' annual operating budgets, which were supplemented by endowment earnings, as well as darkened the institutions' overall asset pictures. While this drop in assets was temporary to some degree for Colston College and Payton College, whose endowments have almost completely recovered their losses from the recession, the depletion of Vilma College's endowment resources ultimately contributed to its closure in 2011.

Lastly, all three institutions disclosed that the economic recession affected their enrollment picture, either through new recruitment or retention, since students and parents were more financially limited during bad economic times. Additionally, the competition of cheaper,

in-state, public schools also challenged all three institutions, especially when prospective students were eligible for state scholarship programs that offered practically free-of-charge educational opportunities. As a somewhat divergent theme, Colston College was the only institution that indicated the it faced retention issues from students who were financially vulnerable during the recession. It was possible that Payton College and Vilma College also faced retention issues, but did not disclose them because significant new enrollment pressures overshadowed retention challenges. And finally, as an interesting subtheme of enrollment pressures, participants from all three institutions noted that their geographic location in the United States, “the south,” was considered an added burden on recruitment efforts.

Research Question Two: What adaptive strategies did the liberal arts colleges employ to respond to the external environmental pressures during the Great Recession of 2007?

Participant and document data indicated that the case institutions employed virtually any adjustment that seemed plausible during the economic recession, including fiscal management adjustments, academic adjustments, athletics adjustments, personnel adjustments, fundraising adjustments, and enrollment adjustments. The sheer number of strategies these institutions implemented indicated that liberal arts institutions faced unprecedented times during the Great Recession of 2007.

Perhaps most interestingly, each institution attempted to adopt a new fiscal management plan during the recession. Colston College used a balanced approach, investing heavily in capital and programs during difficult times while controlling spending; Payton College aggressively slashed its budget, stripping away more than 30 positions and eliminating half its majors; and Vilma College peeled away its expenditures until there was nothing else to cut, at which point

they supplemented significant private gift revenue for tuition revenue in the face of decreased enrollment.

All three schools also made adjustments to their curriculum, either with the aim of increasing enrollment power or net tuition revenue or with the aim of significantly decreasing program and teaching expenditures. Colston College and Vilma College implemented new curriculums in professional areas such as music management, social work, and environmental studies while Payton College renewed its liberal arts focus and eliminated half of its majors, many of which were in professionalized areas like health and exercise science and accounting. All three institutions also negotiated the role of online education in the twenty-first century liberal arts college.

Perhaps more so than any other topic, athletics adjustments proved to be a hotly debated adaptive strategy at all three institutions. Ultimately, each institution adopted a different plan for its athletics program during the recession. Colston College added both men's and women's sports to better market itself in its conference and among prospective students, Payton College changed divisions and significantly cut athletics-related expenditures, and Vilma College invested heavily in athletic programs and sought to change divisions to increase its reputation and recruitment efforts.

All three institutions also implemented traditional organizational cost-cutting personnel measures during the recession, which included administrative layoffs and hiring freezes, retirement benefit cuts, and salary freezes, although Vilma College departed from the norm and raised faculty and staff salaries by 4% in one of its last years of operation. In terms of fundraising, all three institutions attempted to run capital campaigns throughout the recession; one institution met its goal, but the other two institutions never came within 50% of their goals.

Additionally, all three institutions increased recruitment efforts and negotiated raising tuition while striving to provide enough financial aid to hit target numbers. Finally, as part of their recruitment efforts, all three institutions also completed campus renewal projects during the recession with the aim of making their campuses more appealing to prospective students.

Research Question Three: How did the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007 affect their operations?

The themes related to the current study's third research question centered on the governance structure of the institutions, and specifically addressed how decisions were made and who had and ought to have had information, input, and power or authority in the process. As the first major theme related to the institutions' governance structure, participants primarily associated with Payton College and Vilma College discussed the changing nature of the role of the board of trustees in post-recession times. Participants described the role of the board of trustees during the economic recession as a significant departure from its traditional role at the institutions. As an example, at Payton College, the board of trustees issued a resolution in the midst of the recession with five very specific institutional targets and charged the president to work with the faculty to ensure that the targets were met within five years. Even more atypically, Vilma College's accreditation entity cited the institution for board of trustees' activity that included too much involvement in day-to-day operations of the institution during the recession (Report of the reaffirmation committee, 2008). Essentially, during the recession, a small subgroup of Vilma College's board was highly engaged in hiring and firing of administration, in privately funding multi-million-dollar institutional projects, and ultimately, in dictating the direction of the institution without input from faculty or administration. Finally, while Colston

College's role of the board of trustees was mentioned in participants' interviews, the context was more peripheral with participants not noting any significant departure from pre-recession times. Rather, they described the board's role in a general sense as helpful and supportive of the president and as overseeing the established direction of the institution.

Administrative approach to leadership and decision-making also emerged as a theme in the current study as participants discussed the ways in which each board of trustees, president, and cabinet ran the institution and implemented adjustment strategies during the recession. Again, these approaches varied; Colston College participants described a deliberate and sometimes slow-moving consensus-building process that involved all constituent types including students; Payton College described a more directive approach that involved committee input, but essentially rested on a strong commitment to aggressively move presidential decisions forward; and Vilma College participants described an exclusive and sometimes covert decision-making process at the presidential and board subcommittee level. As subthemes of administrative leadership and decision-making approach, participants pointed to the turnover of top-level administrators and the existence of a strategic plan as symbols of the approaches utilized at each institution.

Finally, participants at all three institutions discussed the changing nature of faculty involvement at these colleges and how it shifted during the most recent economic recession. In a general sense, participants pointed to both a decrease in information sharing with faculty and a decrease in faculty input in the decision-making process during the recession. Although participant comments somewhat diverged, Colston College's general assessment regarding the nature of faculty involvement was positive while participants at Payton College and Vilma College were more tentative in their assessments, and sometimes even negative, when reflecting

on the level of information sharing with and empowerment of faculty to contribute to the decision-making at the institutional level.

Research Question Four: How did institutional constituents perceive the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007?

Two major themes emerged with regard to institutional constituencies' perceptions about the adaptive strategies that these three liberal arts colleges employed to combat the effects of the recession. First, participants consistently perceived the nature of the adaptive strategies as a reflection of the institution's leadership. Colston College and Payton College focused their reflection of leadership on the president and top-level administrators whereas Vilma College focused their reflection of leadership on the presidents and the board of trustees. In a general sense, participants held leaders responsible for the success or failure of the changes implemented to combat the economic pressures of the late 2000s more so than they attributed the success or failures to the turbulent external environment. Interestingly, more emphasis was placed on the role of internal factors, mainly leadership and decision-making approach, than on the significantly negative economic factors created by the 2007 market crash and subsequent recession. Perhaps not unexpectedly, participants at Colston College, the institution that remained most stable during the recession, reviewed their president most positively; participants associated with the institution that closed, Vilma College, extensively criticized the board and the presidents' leadership; and participants at Payton College, the institution that made massive cuts, were cautious and sometimes critical in their assessment of the institution's leadership, acknowledging past successes related to balancing the budget, but communicating anxiety about future progress in developing the institution into a thriving learning community. Finally, as a

subtheme of leadership, the priority to and level of transparency that leadership figures endorsed was a factor in how these adaptive strategies were perceived. Participants' data indicated that participants were most satisfied with open communication and free information flow among constituencies at the institution regardless of participant role.

Finally, issues of institutional identity emerged as a second theme related to participants' perceptions of adaptive change at these three case institutions. Participants across institutions discussed how the identified adaptive strategies of each institution affected the organization's identity, either by more clearly defining who and what the institution was or by confusing the brand and creating ambiguity about the institution's place in the market. Again, it appeared that the more the participant perceived the institution to have a clear sense of what it was, the more the participant perceived the adaptive strategy to be useful to the institution in overcoming the pressures of the recession.

Discussion

In many ways, the findings of the current study reflected and expanded on the previous research focused on the historical challenges and adaptive strategies of liberal arts colleges presented in Chapter II. Additionally, the current study's institutions were affected by the Great Recession of 2007 in many of the same ways that Chabotar's (2009) research indicated it affected other higher education institutions - through poor performing endowments, constrained finances, and enrollment hardships highlighted by a greater dependence on tuition. However, the current study's findings supplemented existing literature by demonstrating the distinctive nature of the challenges facing liberal arts colleges as they adapted to a combination of pressures caused by gradual shifts in the higher education and wider sociopolitical landscapes and by the abrupt changes caused by the 2007 market crash and the ensuing two-year recession.

Twenty-First Century Liberal Arts Colleges Challenges

Nearly two decades ago, Breneman's (1994) mixed methods study, reviewed in Chapter II, examined the adaptation of liberal arts colleges and identified eight emergent themes related to how institutions were preparing for the future: enrollments and students, management and finance, faculty, academic programs, development, planning, trustees, and government policies. These themes emerged in the current study as well, but findings indicated that many of the challenges related to these themes were even more exacerbated than in previous times.

Institutional wealth. First, in an institutional sense, Breneman's (1994) findings concluded that wealthy schools were generally better positioned to acquire more wealth and acquire it at a quicker rate than less wealthy institutions. The current study's findings reflected Breneman's (1994) conclusions and further indicated the importance of established institutional wealth in recessional times. While the recession affected every case institution's endowment, Colston College and Payton College benefited from the security of a nine-figure endowment and held an advantage over institutions like Vilma College, whose endowment corpus was less than 10% of Colston College and Payton College's. Additionally, Colston College and Payton College netted more revenue and operated with significantly larger budgets than Vilma College. So, while Colston College and Payton College's hundred-million endowments suffered tremendous losses during the recession, they have since almost fully recovered, while the financial pressure exerted on Vilma College's endowment was ultimately a factor that sealed its closure. Even more illustratively, because Colston College significantly increased its power to generate annual wealth in pre-recession times through its engaged learning program and increased enrollment and net tuition revenue, it was able to more easily adapt to the pressures of the recession and maintained its wealth acquisition momentum. Oppositely, Payton College,

although it had a nine-figure endowment, experienced greater difficulty acquiring wealth during the recession because its endowment wealth was not matched with its power to generate annual wealth through net tuition and private gift funding.

Enrollment challenges. From an enrollment perspective, Breneman's (1994) study noted that liberal arts colleges, at the end of the 20th century, experienced challenges meeting enrollment goals, overcoming price resistance from parents and students, and recruiting minorities and nontraditional students at institutionally targeted rates. Additionally, Lapovsky and Hubbell (2003) indicated that the biggest enrollment challenge that faced liberal arts colleges at the turn of the century was the institutional practice of increasing financial aid faster than tuition, which led to negative revenue growth.

The current study's findings indicated that every one of these challenges identified by Breneman (1994) and Lapovsky and Hubbell (2003) became more significant as a result of the Great Recession of 2007. In a general sense, all three institutions discussed both the struggle to secure a critical mass of students at an appropriate tuition rate that maintained a balanced budget and the approaches they employed to overcome these enrollment challenges. More specifically, Vilma College's approach demonstrated the catastrophic ramifications that Lapovsky's (2003) research pointed to regarding the fragility of using institutional aid to boost enrollment. In short, Vilma College's approach consisted of giving students increasingly high levels of institutional aid without increasing tuition in an effort to build enrollment. The approach created an accessible liberal arts education for students, but also created an unsustainable business model. Both operating case institutions, Colston College and Payton College, departed from this approach and employed more innovative strategies. Colston College restructured its entire pricing framework and rebranded itself as a more expensive and elite school, which Lapovsky's (2005) research

indicated increases an institution's perceived value. As a result, Colston College raised both its tuition and its institutional financial aid rates, which participants indicated was a win-win for the institution and its students. Finally, Payton College acknowledged that, at least temporarily, the institution was more focused on recruiting students capable of contributing to the cost of their education rather than simply increasing enrollment numbers and filling the campus with students who demanded larger amounts of financial assistance. However, as some participants noted, aiming to educate a small group of financially capable students had additional concerning ramifications related to the accessibility of a liberal arts education, especially in an educationally-deprived southern state.

Perception challenges. Participants at all three institutions agreed that manipulating the price of education was not a universal answer to the challenge of persuading students to buy-in to a liberal arts college experience. In fact, in some ways, pricing strategies only touched on one symptom of a much larger issue of perception. Several participants indicated that the challenge of communicating the value and application of a liberal arts degree remained central to enrollment success. As Hersh's (1997) research showed, public attitudes towards higher education were focused on the need for college to prepare students for careers more so than to provide learning opportunities for learning's sake. As a result, several participants reiterated Hersh's (1997) conclusions and conceded that liberal arts colleges needed to more effectively persuade prospective students and parents that a liberal arts college experience provided superior career and life preparation. Additionally, liberal arts colleges needed to make a solid case for the added financial investment their educational experience required (Breneman, 1994; Gilbert, 1995).

Fiscal challenges. Breneman's (1994) research also indicated that most of the liberal arts colleges included in his case study operated with a deficit as a result of enrollment and perception challenges bleeding into the fiscal situation of the institution by way of decreased net tuition revenue and decreased private giving revenue. Additionally, he indicated that most institutions during that time period approaching fiscal distress from a cost-cutting approach, eliminating personnel and programs to balance their budgets. Yet, as Breneman (1994) noted two decades ago and as the current study's findings reiterated, many of these liberal arts colleges already had small and sometimes bare-boned operations. Consequently, many of them had little opportunity to cut anything without sabotaging their competitive edge in the market. Additionally, when cost-cutting opportunities were available, such as utilizing adjuncts, increasing class sizes, and cutting residential programming, they often conflicted with the mission of the institution.

The fiscal challenges addressed by the current study's case institutions reflected several aspects of Breneman's (1994) and Lapovsky's (2005) earlier research, most notably the struggle to generate enough net tuition revenue to create a balanced budget. In order to ensure a sustainable balance between costs and revenues, Colston College addressed its fiscal challenges by boldly investing in programs and capital during booming times while upholding reasonably conservative spending practices throughout the recession. Somewhat oppositely, Payton College took a more traditional approach to bad times and addressed its fiscal challenges, which were significantly exacerbated by the recession, by slashing budgets and implementing massive cost-cutting measures across the institution. Finally, Vilma College's fiscal challenges proved to be too great to overcome during the recession, in part, because the institution had responded to previously challenging times by cutting the operation back to the bone and by failing to generate

sustained revenue streams. As a result, the institution could neither implement additional cuts and remain operational nor generate sustainable new income streams. In short, the current study's findings, within the context of Breneman's (1994) past research, indicated that many liberal arts colleges can no longer afford to exclusively employ cost-cutting strategies to overcome economic pressures; many of them have cut everything they can cut. Rather, these institutions must succeed in generating more revenue in order to survive.

Liberal Arts Colleges Adaptive Strategies and Considerations

In addition to past research addressing the challenges facing liberal arts colleges, especially in economically repressive times, researchers also focused on adaptive strategies used to combat these challenges. In particular, I reviewed literature in Chapter II that examined the role of mission, curriculum and technology, and identity in organizational adaptation, which all proved to be especially applicable to the current study's findings.

Mission compromise. Delucchi's (2000) research focused on the extent to which liberal arts colleges decoupled their mission and operations as an adaptive strategy. He argued that this tactic allowed institutions to maintain an established liberal arts college reputation while also expanding its niche by offering areas of study outside the traditional liberal arts curriculum. He found that nearly 70% of the institutions he studied utilized this strategy and decoupled their missions and major field of degrees. However, his research also indicated that if a school was located in the northeast, had a large enrollment, had a large endowment, or was not affiliated with a religious denomination, its likelihood of decoupling decreased. In short, Delucchi (2000) argued that organizational survival was dependent on responding to the immediate needs of the environment unless the organization was able to rely on a specific internal strength, like larger

endowment or geographic location, which cushioned the institution from environmental pressures.

Indeed, the negotiation of mission was an important theme at all three case institutions in the current study. According to Delucchi's (2000) research, all three institutions had a high likelihood of decoupling their mission and operations. To some degree, Colston College and Vilma College employed this adaptive strategy by implementing new professionally-based curriculum during the recession in an effort to increase enrollment, although the majority of their degrees were still awarded in liberal arts. However, Payton College took the entirely opposite approach, solidifying its coupled commitment to liberal arts by eliminating half of its majors, many of which were professionally-based. Its renewed commitment to liberal arts, participants noted, was both refreshing and frightening since the organization had not managed to establish momentum in terms of distinctive curriculum offerings since the recession and subsequent academic restructuring at the institution.

Technology in education. Nearly 20 years ago, Kanigel (1986) argued that liberal arts colleges needed to adjust to the changing needs of the external environment by embracing technology as an adaptive academic strategy. He noted that if a liberal arts college was to prepare an individual to be an active participant in society and the marketplace, it needed to embrace technology as an educational tool. The current study's findings indicated that Kanigel's (1986) research and conclusions permeated the liberal arts college during the last two decades, although at different levels across institutions. While all three institutions' participants stated that their colleges discussed the use of online education and other technology-based platforms, only Colston College implemented substantial strokes towards integrating technology as a meaningful component into educational delivery at its institution. Most visibly, Colston College did this by

establishing classes with consortium institutions and with professors who travelled abroad and engaged in off-campus research or fieldwork. Colston College also appointed a cabinet level position to oversee information technology, indicating the institution's long-term commitment to adapting through the use of technology in education.

Branding of identity. Finally, in a general sense, Stimpert (2004) argued that regardless of the specific adaptive strategy employed, the main adaptive priority for the liberal arts college was to succinctly define itself. In fact, he characterized the most successful liberal arts colleges as the ones that developed a "compelling identity that communicates in just one or a few sentences what it is, what it aspires to be, and what distinguishes it from many other competing institutions" (p. 44). According to Stimpert (2004), this identity then served as a force for the institution and focused its priorities and strategic plan.

The theme of institutional identity was one of the current study's most prevalent topics. Participants at Vilma College referred to the institution's inability to define itself and align its operations with a strategic plan as two of its critical failures whereas participants at Colston College collectively described the institution's identity by pointing to its engaged learning program and discussed how the strategic objectives for the next 10 years built on the program and the institution's established identity. Finally, Payton College's participants acknowledged that, although the institution saw transformational change during recession times, those changes focused mostly on operational measures and on cutting budgets rather than growing programs and curriculum. This approach led to a somewhat ambiguous institutional identity and a perceived lack of distinctiveness among the organization's members. Additionally, Payton College, at the time of the current study's fieldwork, did not have an active strategic plan.

Importance and Power of Leadership

Past research also indicated the significance of the role of leadership in small liberal arts colleges, especially amidst transformational change and increased economic pressures. Breneman (1994), Chaffee (1984), and Puglisi (2011) all pointed to the prominence of the institution's internal factors, especially its presidential leadership, when examining effective organizational adaptation. Breneman (1994) argued that liberal arts colleges' small size served as an advantage in times of change because it allowed the institutions to quickly change directions, implement new plans, and adapt. Essentially, he argued, the smaller the ship, the easier it was to turn. Additionally, Chaffee (1984), after examining the strategic changes employed by leaders at private colleges that experienced significant decline in the 1970s, concluded that the institution's president were particularly prominent and served as the organization's most important figure: "...for small private colleges in trouble, finding an able and dedicated leader is a matter of life or death" (Chaffee, 1984, p. 2). Finally, Puglisi (2011) identified a few specific requirements of a successful president: he needed to address the roots of financial problems and he needed a good team that operated with trust and acted in an advisory role. He also described successful presidents as positive, poised, and patient in solving problems that likely took years to create. Finally, Puglisi (2011) pointed to the president's role as one that cultivated culture and morale with communication remaining central to a president's ability to create adaptation. "To the extent possible and prudent, be open, honest, and transparent" (Puglisi, 2011, p. 88).

The current study's findings highlighted themes in the nature of administrative leadership and decision-making, negotiation of faculty involvement, and lack of transparency. These three themes all reflected aspects of Breneman's (1994), Chaffee's (1984), and Puglisi's (2011) research. When participants from all three institutions discussed their perceptions of institutional leadership, they discussed how levels of information sharing, consensus building, trust, and

vision played a role in the institution's leadership approach and how these aspects affected the implementation of change. In a general sense, participants highlighted the importance of transparency and input in the decision-making process and linked the level and frequency of communication among constituent groups with the ability to trust and buy-in to the leadership's vision. Additionally, the current study expanded the established research by indicating how leadership approaches varied based on institutional and environmental circumstances. The current study's findings indicated that the more distress an institution was in, the more exclusive and directive its leadership was perceived. Additionally, while a directive approach to leadership seemed compatible with decision-making that focused on cutting, eliminating, and consolidating operations, that leadership approach did not resonate as effectively as consensus-based leadership did when institutions engaged in decision-making that focused on curriculum development and branding.

In the Context of the Study's Theoretical Framework

Cameron's (1984) research recognized four models of organizational adaptation that each differentially prioritized the role of the external environment and internal organization factors in an organization's ability to respond to external pressures. Further, Cameron (1984) argued that liberal arts colleges needed to employ all four approaches to successfully adapt and survive in the post-modern economic environment. Examining the current study's findings presented in Chapter IV in the context of each of these theoretical models yielded more informed findings and provided a more in-depth analysis of the nature of organizational adaptation at Colston College, Payton College, and Vilma College.

Population ecology model. The population ecology model, conceptualized by Aldrich (1979), worked from the standpoint that organizational adaptation was almost wholly dependent

on environmental factors. Aldrich (1979) argued that an organization's survival depended on its ability to respond to external environmental pressures. In essence, organizations worked to align themselves with their environment despite whether or not such an alignment was compatible with the organization's mission or established purpose. Though organizations worked towards environmental fitness, they were significantly limited in their ability to adapt due to the pervasive nature of the external environment and the organization's own internal and embedded structural constraints. As a result, organizations had little power to significantly adjust their operations. Yet, organizations, though limited in their adaptation capabilities, were required to become fit for the external environment in order to survive. With a robust external perspective, the population ecology model highlighted the charge to meet environmental needs as the organization's primary challenge and goal in adaptation.

In the context of the current study, this population-level model of organizational adaptation raised the question: do small, private, residential liberal arts colleges like Colston College, Payton College, and Vilma College, as a population of organizations, fill an environmental niche? Practically speaking, the model tested the notion that there was enough interest in the experience of a liberal arts education at a liberal arts college to enable institutions like the current study's case institutions to survive. The population ecology model asserted that as long as these institutions met the needs of the environment and supported a niche, they would survive. However, in the instance that the liberal arts college no longer met the needs of the environment, the population ecology model postulated that its survival then depended on its ability to become more environmentally fit, which questioned the college's ability to adapt based on its organizational constraints and in a way that aligned with its established mission and purpose.

Participants from all three case institutions discussed their concerns of having a niche to serve. Participants cited the rapidly changing nature of higher education, including the advancement of professional education, online education, and scholarship support for public education as indications that the environmental needs have shifted and may not deem a niche for the number of liberal arts colleges that exist today. Additionally, participants from all three institutions cited their geographic location as an additional factor worth considering when defining the environmental niche. They described their immediate market as a market that did not understand or value a liberal arts college experience, especially when weighed against practically free, in-state public education. Interestingly, Colston College acknowledged this limited in-state niche several years ago, and as a result, implemented an out-of-state recruitment plan and pricing restructure plan to adapt and align itself with an out-of-state market. Colston College transitioned from enrolling a majority of in-state students to enrolling a majority of out-of-state students in less than ten years. For Colston College, expanding its niche allowed it to gain more attention and more students. Consequently, from an organizational adaptation standpoint, it appeared to be in a better position to survive.

In the context of achieving environmental fitness, participants also discussed how their institutions became or failed to become environmentally fit through curriculum adjustments and gave particular focus to the addition of a more professionalized curriculum and the employment of technology-based learning strategies. Colston College adopted more technology-friendly programs and added both professional and liberal arts degrees during recession times. While Vilma College did add a few professional programs during the recession, several participants at Vilma College attributed the institution's ultimate failure to its long-term inability to programmatically adapt citing instances when the faculty and administration rejected

professional programs like nursing and health and exercise science as well as instances when they eliminated nontraditional programs and adult learner classes after hours. And finally, and perhaps most interestingly, Payton College adapted its curriculum during the recession, but actually became more restrictive in terms of offering professional programming. The college eliminated its more professionalized majors and chose to become even more traditionally liberal arts focused than it was in the years prior to the recession. Some participants showed concern about the significant slimming down of the curriculum while others pointed to it as an especially innovative strategy that set up the institution to be more distinctive in the long run, and consequently, better serve a very specific niche.

Life cycles model. This model, or group of models, identified four stages of organizational adaptation: the entrepreneurial stage, the collectivity stage, the formalization and control stage, and the structure elaboration and adaptation stage. According to the model, an organization's movement through these stages was contingent on internal factors, which include its understanding of and response to external pressures. Each stage was characterized by the nature and type of organizational behaviors utilized in adaptation. In the entrepreneurial stage, organizations worked through highly informal and creative interactions to create a specific niche. In the collectivity stage, organizations garnered support for their purpose by developing rapport with internal members primarily through a heightened level of communication. In formalization and control, organizations institutionalized adaptation and established it as the norm. And finally in elaboration and adaptation, organizations decentralized the adaptive strategy and sought to create new ways to grow or change. Much like the population ecology model, the primary focus of organizational adaptation within the life cycles model was adapting to the environmental challenges. However, unlike the population ecology model, this framework acknowledged the

organization's role in understanding the environmental changes and controlling its adaptive strategies.

In the context of the current study's findings, the life cycles model informed the findings related to the ways in which each case institution employed adaptive strategies to respond to the pressures of the economic recession and how successful each strategy was in aiding the institution in adapting. The life cycles model defined successful organizational adaptation as change that followed the identified four-stage process. Participants discussed several adaptive strategies employed at each institution: curriculum was restructured, personnel was reduced, budgets were realigned, athletics were repositioned, and new enrollment and fundraising strategies were used to generate new revenue streams. Some processes were described by participants as moving through these life cycles stages in a meaningful way while other processes were described in a more streamlined, direct way that did not necessarily work through the life cycles stages.

The adaptive strategy presented in the current study's findings that most closely aligned with the life cycles model was the implementation of Colston College's engaged learning program. In its initial stages, participants described a president who had a vision that was supported by the board. The president took the idea to faculty and asked them to create a plan and give the vision what it needed to work at the institution. As a result, a committee of faculty members, in consultation with students, other faculty, and outside professionals created a plan that "codified" something that was already in the "fabric and fiber" of the institution. The committee process was described as innovative and thoughtful. Eventually, the plan was formalized and adopted by the institution at which point budget dollars were allocated to the program, fundraising priorities were developed around its future, marketing branded the

program, faculty signed up to be advisors, and enrollment management used the program as their primary recruitment platform. In short, it became the institutional focus. Because Colston College developed this program and adapted to its environment before the recession, the institution formalized its new innovation by the time the economic downfall pressured the institution, and as a result, was cushioned from environmental pressures to a greater extent than other institutions. Finally, at the time of the current study, Colston College participants discussed the need to take the next step and innovate more, indicating that Colston College was in the elaboration and adaptation stage.

While the Colston College's engaged learning program followed the life cycles model in a comprehensive manner, adaptations at Payton College and Vilma College occurred in more limited way. Payton College's academic restructuring was, in part, committee-based. However, the limited input of outside constituents, the confidential nature of the committee's decision-making process, the president's right to modify decisions, and the aggressive timeline of deliberation limited the informal nature of the process as well as the level of idea sharing and creativity. Additionally, participants' interviews indicated that the institution faced significant challenges in building unity and rapport among the organization's constituencies around this adaptive strategy. While the changes were formalized, participants' interviews indicated that the institution still did not fully embrace the changes, which provided challenges to normalizing the adaptation and creating future innovation and growth. As far as Vilma College, the institution did not, in a general sense, follow the pattern outlined by the life cycles model. Rather, participants' interviews indicated that organizational adaptation was highly secretive, commanding, and ambiguous in nature. One particularly important theme that informed this model was the participants' dissatisfaction with a lack of transparency by institutional leadership. In a general

sense, the confidential nature of the administrations at Payton College and Vilma College were perceived negatively by several participants across institutions and ultimately challenged the level of investment among the organizations' members.

Resource dependence model. The resource dependence model defined the essential component of organizational adaptation and survival as the capability of the organization to acquire, maintain, and control the distribution of resources it needed to operate. In this way, the resource dependence model acknowledged an organization's internal factors as more influential than the external environment in organizational adaptation. However, several external pressures served to create strains on organizational adaptation, including increased competition for resources caused by either increased demand or decreased supply. In a general sense, Pfeffer and Salancik (1978) conceptualized the resource dependence model as a model that defined organizational adaptation by an organization's ability to secure resources in its environment.

The premise of the resource dependence model spoke directly to the themes related to the current study's first research question. The economic recession pressured the case institutions by limiting their resources, or in a more practical sense, their revenue. Resource limitation primarily occurred through loss of endowment revenue and loss of net tuition revenue, which were both addressed in the current study's first research question.

For the benefit of understanding the current study's findings within the context of multiple theoretical frameworks, it was important to understand the difference between the focus on enrollment in the context of the resource dependence model and in the context of the population ecology model. The resource dependence model framed student as resource that contributed revenue to the institution. The population ecology model, on the other hand, framed enrollment as an indicator of environmental need, or a niche, that the organization met.

Therefore, in a practical sense, these two models blended and created a more practical question that faced many institutions: were there enough interested students (environmental need) who were also capable of contributing revenue to the institution (resource)?

The current study's findings indicated that an institution's ability to secure resources was indeed paramount to its adaptation and survival. During the recession, Colston College secured record-level resources by significantly increasing its enrollment and net tuition revenue and by successfully completing a comprehensive private giving campaign. These resources offset the significant decrease of its endowment earnings resource during the recession. Payton College struggled to adapt during the recession primarily because the economic recession directly limited the resource - endowment earnings - upon which the institution was overly dependent. Finally, Vilma College, while it was successful securing one resource - private gift revenue - for a period of time, it ultimately failed when it could not secure other resources like net tuition revenue at a meaningful level.

The findings regarding Vilma College within the context of the resource dependence model pointed to a particularly interesting implication. In the face of a significantly limited resource (net tuition revenue), Vilma College attempted to compensate by increasing the level of another resource (private gift revenue). However, an overdependence on private gift support concentrated among a small group of trustees created significant distress to the institution, which some believed led to its ultimate demise. The implications suggest that successful organizational adaptation depends not only on the acquisition of resources, but also on a balanced contribution of diverse resources.

Like the population ecology model, the resource dependence model also accepted the premise that organizational effectiveness was impacted by several external environmental

realities. Typically, an organization operated under specific constraints, which restricted an organization's range of possible behaviors and potentially inhibited its ability to adapt. Pfeffer and Salancik (1978) identified one organizational constraint as "physical realities" (p. 15). Therefore, this model, like the population ecology model, acknowledged the power of geographic location on the existence of an organization. Again participants pointed to the institutions' southern location within the United States as a constraint that further challenged both enrollment and net tuition revenue, or in the context of the resource dependence model, as an organizational physical reality that limited resource acquisition.

Symbolic action model. The last of Cameron's (1984) models, the symbolic action model, framed organizational adaptation as an organization's ability to create, maintain, and change shared meaning. Cameron (1984) stated that shared meaning was developed through symbolic actions, which included language and culture. Through shared meaning, leadership clearly defined and explained organizational activity and cultivated commitment and investment from the organization's members. While the symbolic action model accepted the premise that organizations operated under specific constraints, it also postulated that members worked to limited those constraints. Finally this model, as a departure from others, argued that share meaning was more relevant in terms of the nature and success of organizational adaptation than the specific actions or strategies employed.

In the context of this study, the symbolic action model addressed the themes associated with the third and fourth research questions of the current study. While participants discussed the pressures caused by the economic recession and the concrete ways in which their institutions employed adaptive strategies in great depth, the participants also discussed how they perceived these strategies and the ways in which they were implemented at each case institution. During

many interviews, a substantial amount of time was spent on participants describing their perceptions of how things occurred more so than what actually occurred in terms of organizational adaptation. Participants' perceptions of adaptation, decision-making, and leadership were dominant themes in the study.

Participants at Colston College indicated that their institution promoted an environment of transparency and prioritized decision-making processes that included diverse constituencies on campus. They perceived their leadership to be visionary and ambitious. Participants at Payton College indicated that their institution had changed in dramatic ways in a short time, some of which was uncomfortable to participants. They described a somewhat chaotic and unpredictable decision-making process that, at times, was streamlined and rushed and involved limited input from its constituencies. Additionally, some participants indicated that the bureaucratic nature of the institution's committee structure was an impediment to effective decision-making. Participants described the leadership as ambitious, focused, direct, consistent, and managerial in nature. Finally, participants at Vilma College described a decision-making process that was exclusive, volatile, and unhealthy. Vilma College's leadership was described as weak, constantly changing, and misaligned with the mission and purpose of the institution.

Many participants linked their perceptions of both the decision-making process and the leadership of the organization with their assessment of the organization's performance and their contributions as organizational members as well as their satisfaction with the overall work of the organization. Participants at Colston College spoke highly of the progress the institution made and the process by which it made it, especially with regard to the implementation of its engaged learning program. Participants at Payton College acknowledged the administrative success of the organization, specifically in balancing the budget, but were concerned about the future vision

and growth of the institution. And participants at Vilma College noted limited successes, especially during its last years, and noted their severely limited ability to help the organization adapt as a result of its organizational processes.

The nature by which each institution made decisions and led change directly influenced the symbolic meaning members of the organization derived from the institution's adaptation. And while it appeared that the more dire the situation the institution was in, the more the situation called for swift and direct action, it was apparent through participants' interviews that swift and direct action also had ramifications and worked to limit shared meaning in the organization when members did not fully understand the process or did not believe they were part of it. This had especially serious ramifications in these three case institutions that were founded on principles of shared governance. Additionally, the presence of an active strategic plan, the consistency of top-level administration, the level of transparency, and the role of the board were all factors mentioned when a participant discussed his or her level of shared meaning in the organization and his or her perception of the organization's adaptation.

Cybernetics model. Birnbaum's (1988) cybernetics model asserted that organizations adapted by remaining vigilant to self-monitoring signals that alerted the organization when performance measures fell below established levels. This process was largely dependent on an organization having a clearly defined set of subunits, organized by rules of operation, and prioritized goals. When external pressures threatened the organization, adaptation took place at the subunit level. The extent to which subunit adaptation affected other subunits defined the level of coupling within the organization, which likely determined the impact of an external threat. Thus, leadership in Birnbaum's model (1988) focused on detecting the level of coupling in an

organization and possible external threats and maintaining a healthy level of stability by allowing subunits to do their established jobs while facilitating only minor changes to the organization

In the context of the theoretical framework, Birnbaum's (1988) cybernetics model provides a better understanding of how organizations' level of coupling affects operations. All three organizations, by nature of their specific mission and approach to higher education, were defined as tightly coupled institutions. The level of their coupling increased the impact of the economic recession and institutional adaptive strategies because changes to one subunit directly affected changes to another. Therefore, in a general sense, no change was small at these institutions and every subunit felt the effects of adjustments, even if they were largely academic, or athletic, or administrative. So, for instance, Payton College administrative layoffs affected the entire morale of the institution, even in offices that did not directly lose employees. Additionally, Colston College' engaged learning program changed every aspect of the institution, including finance, admissions, fundraising, and student life.

Additionally, Birnbaum's model (1988) informed the current study's findings on leadership. While all three institutions' presidents, by virtue of leading their colleges through the Great Recession, qualified for one of Birnbaum's two exceptions to facilitator-based leadership and were justified to implement a more commanding approach, the degree and duration that each assumed this directive role is important. Colston College, though a visionary, assumed a commanding role for a short time in 2003 when he rallied the faculty and staff to develop its new engaged-learning program. Participants articulated that he assumed a more directive role when he detected external threats, but quickly persuaded the faculty to move forward. Somewhat differently, the presidents at Payton College and Vilma College maintained a more commanding approach for the duration of their leadership and did not find a way to transition into adjusting

the organization in subtle ways, allowing the organization's subunits to achieve their designed purposes. Birnbaum's (1988) caution that administrators must not "overcorrect" is particularly applicable to these institutions, both of which had presidents who implemented enormous change, but lacked widespread buy-in and investment from other organizational members.

Conclusion. Cameron (1984) argued that employing all four approaches – population ecology, life cycles, resource dependence, and symbolic action - was necessary for institutions to achieve a level of adaptation that met the demands of the external environment. Additionally, Birnbaum (1988) argued that even within higher education, universities and colleges must define their operations and constraints and respond to the environment in a way that fits their organizational structure. In short, for institutions of higher education to survive, especially small liberal arts colleges, they must continue to meet an established environmental need, innovate and change, secure necessary resources, and operate with a singular sense of shared meaning and purpose. The findings of this study demonstrated the challenges facing each of the three case institutions related to meeting these demands. While the economic recession affected these liberal arts colleges' ability to secure resources and forced them to innovate in significant ways, participants' perceptions of institutional adaptation were as much a focus in this study as the actual ways in which the institutions sought to adapt.

Limitations

The research design employed in the current study and presented in depth in Chapter III limited the current study in several ways. The sample included 30 purposefully selected individuals. However, while appropriate for in-depth qualitative study, this sample size still does not allow for broadly transferrable results. Though the findings of this study serve to inform other institutions and practitioners about the nature of organizational adaptation at liberal arts

colleges, the results may not be widely generalizable to all liberal arts colleges that faced challenges in the wake of the recession.

There were several other limitations in regard to data collection in this study. Interviews were time limited, lasting 65 minutes on average, which constrained the amount of data collection possible for analysis and limited the opportunity for follow-up questions related to topics outside the established questions. Also, at the time of the current study's fieldwork, participants at Colston College and Payton College were employed at their respective case institutions while participants at Vilma College were several years removed from their experience at their case institution. In both cases, participants' perceptions and statements were vulnerable to potential social desirability bias, limited disclosure, and lack of detail. Further, the length of participants' employment at their respective case institutions varied and some were only able to give a limited view of the institution's process of adaptation during the recession due to their short employment history. In addition, I was unable to interview a board of trustees member and the president at Colston College and the vice president of student development at Payton College, as I originally intended, either because the position was vacant at the time of the current study's fieldwork or because the constituent was unavailable to participate in the study. Finally, I conducted seven interviews by phone instead of in person and I did not digitally record one interview as a result of a device error.

Additionally, the study was limited to the analysis of public documents and private documents provided by the case institutions' representatives or other participants in the study. Participants associated with Vilma College provided several documents for analysis while participants from Colston College and Payton College provided a more limited collection of

documents. As a result, document analysis was limited based on the availability and completeness of information provided by case institutions and available through public sources.

Finally, the study's findings were reported in a manner that balanced the need to be richly descriptive and absolutely accurate with the need to protect the identity of participants and institutions. As a result, I referred to participants by affiliated institution and position; however, at times, I did not disclose which participants contributed which quotations. I considered it my obligation as a researcher to protect participant confidentiality.

Recommendations for Future Research

The findings in the current study and the subsequent discussion provided in this chapter lead to several opportunities for future research. Because of the nature of the design, the current study yielded broad and comprehensive findings about the liberal arts colleges' adaptation during the 2007 economic recession. In a general sense, future research that is more directed toward a specific aspect of adaptation may supplement the existing base of knowledge by analyzing more focused areas in greater depth. Additionally, increasing the sample size and breadth to include more participants at more institutions in more geographically diverse areas will strengthen the findings and allow results to be more generalizable.

More specifically, the following three areas are offered as recommendations for future research: (a) study of similarities and differences in perceptions of adaptation as they relate to specific roles within the institution, (b) analysis of the background, criteria, training, and perceived purpose of the board of trustees at liberal arts colleges, and (c) investigation of the similarities and differences of pressures that face geographically diverse liberal arts colleges. Future research could potentially develop the knowledge base in these areas in a more in depth and enlightening way.

Given that the current study was a case study designed to focus on institutional analysis and given the established right of each participant to remain confidential, it was appropriate, at times, to present data in a manner that did not directly link participants to statements. However, the masking of participant role in the findings of the study limited data analysis. As a recommendation for future research, it is beneficial to consider how participants who occupy different roles within the institution perceive organizational adaptation at liberal arts colleges similarly and differently. For example, examining faculty perceptions or board perceptions across institutions more specifically might yield a better understanding of how organizational members perceive, create, and invest in change.

Furthermore, much of the current study's focus centered on the board of trustees' role in organizational adaptation, especially in times of financial instability. For one case institution in particular, the conversation focused on the intertwining of governance and private fundraising at the board level. Additionally, several participants commented on the role of the board and the way the board perceived its responsibilities as well as the ways in which it perceived the nature and purpose of higher education and the liberal arts college. Given the significant role of the board of trustees in making decisions regarding the continued mission, operations, and future of these small, private liberal arts colleges, especially in unstable times, future research should focus on the role of the board in the small, private liberal arts college including the background, qualifications, and training of board of trustees members across institutions.

Finally, participants at each institution noted the distinct challenges facing liberal arts colleges located in the southeastern region of the United States, most commonly referred to by participants as "the south." Many noted that these colleges operated in a market unfamiliar with their value or their role in higher education. However, one cabinet member from Payton College

diverged in his insight and stated that he would rather be associated with a liberal arts institution in the south as opposed to one in the north where there was “a liberal arts college on every corner.” So, while most participants spoke of the geographic location concern in terms of a lack of demand for the product, this last participant framed a southern location as an advantage because it kept these institutions outside a market that was saturated with supply. In either case, future research might investigate how geographic location within the United States influences the continued adaptation and survival of liberal arts colleges.

Recommendations for Practice and Policy

It was apparent through the current study’s findings and past research that small, tuition-dependent, private, residential liberal arts colleges are existing on the ragged edge of higher education with little financial cushion and limited resources. For decades now, researchers have hypothesized that these institutions will not survive for the long-term, especially given the recent significant financial shifts in the economy. Yet, many of these regionally-based, faith-affiliated colleges remain in existence. As the current study indicated, some operated more soundly than others and some adapted in more significant ways than others. Understanding the modern challenges these institutions face and the nature of adaptation employed by these organizations is essential to practice and policy and, ultimately, to the continued existence of this small sector of higher education.

The Advantage of Good Economic Times

In a general sense, all three institutions fared better in good economic times than they did in bad economic times. However, the extent to which bad economic times affected each institution varied, in part, based on how each college utilized and leveraged their resources in good times. Colston College, at the height of the market boom, gave itself an institution-wide

makeover and implemented new programs that transformed the brand, reputation, and value of the college. On the other hand, Payton College and Vilma College used the added benefits of the market boom to maintain their status quos and provided additional student aid instead of using these resources to invest in long-term change that could have significantly grown their values.

As a recommendation for future practice and policy, higher education institutions, especially small, vulnerable, tuition-dependent liberal arts colleges, should maximize the resources and benefits of good economic times and prepare for future bad turns, which are an absolute certainty. The American economy is grounded in the principle of upturns and downturns, which means institutions should always consider how to prepare for the next downturn during the current upturn and create the same kind of revenue, enrollment, and program momentum evidenced in Colston College's engaged learning program.

Shared Governance

The small liberal arts colleges' shared governance model was tested over the last several years and during the recession and will continue to be challenged in significant ways. Due to their small economies of scale, liberal arts colleges remain among the most financially and operationally vulnerable institutions in higher education. As a result, they must operate in a fashion that allows them to quickly adapt and navigate pressures in a flexible and fluid way. However, the shared governance model in place at many of these institutions highlights the importance of consensus decision-making and the role of the entire faculty in the institution's business. As a result of the consensual approach, decision-making is often a much slower and more deliberative process when shared governance is truly enacted. As a result, many institutions try to do both – make quick executive decisions and honor the process of shared governance. Several participants in the current study indicated that institutional decisions were often made

among a very exclusive group of administrators or a subcommittee of the board of trustees while administrators gave courtesy reports to faculty, staff, and the general board at open meetings. As a result, this shortcut process of executive decision-making was often times communicated as a devaluing of faculty involvement and perceived as the dismantling of shared governance as the institution knew it.

As a recommendation for future practice and policy, small liberal arts colleges must align their policies and practices regarding shared governance. While all three case institutions had established processes of shared governance as official policies, many participants indicated the policies were not indicative of practice. To supplement that point, liberal arts colleges must clearly define the role of their institutional leaders – the board of trustees, the president, cabinet members, and faculty – and should develop a clearly communicated system of checks and balances for these roles as well criteria for the holders of these positions. Developing clearly defined roles and position criteria is especially important with regard to the board of trustees, which is the most powerful of all the institutional constituencies yet the most varied in terms of constituents' qualifications and training, as evidenced by participants' data in the current study.

Further, the current study's findings indicated that when a decision-making process was regarded as inclusive, deliberative, and proactive, constituencies across the board regarded it as a positive process and credited the leadership for their administration and management of institutional operations. Alternately, in cases when decisions were made hurriedly, in either a confidential or non-transparent manner, or by an exclusive few individuals, most constituencies regarded the process as dysfunctional and damaging. As a recommendation for future practice, administrations at small liberal arts colleges must develop inclusive decision-making processes that include a diversity of institutional constituencies. Additionally, given the fragility of small

liberal arts colleges, administrations must keep their entire faculty and staff informed about the interrelated aspects of the institution's business, including enrollment, fundraising, endowment performance, curriculum, and athletics. Administrations must develop legitimate communication avenues to discuss the holistic picture of the institution beyond sound bites that are easily manipulated at faculty and board of trustees meetings. In a general sense, more legitimate communication and information sharing among constituencies will foster a greater level of investment in the decision-making process, which will cultivate buy-in in the institutional vision and future.

As a final note, the current study's findings indicated that board of trustees members, presidents, and cabinets regarded the level of faculty involvement as a subordinate issue in organizational adaptation. Transformational leadership at small liberal arts colleges is not possible without the investment and support of the faculty, especially those members who hold tenure. Therefore, all institutional constituencies should consider faculty involvement as a prerequisite to every function at the college, especially issues of change and adaptation.

Mission and Branding

The current study's findings also indicated that issues of mission, identity, and branding were central to a liberal arts college's ability to adapt. In order for small liberal arts colleges to effectively adapt, they must be able to, in a unified voice, articulate their distinctiveness, their value, and their relevance. The institution that adapted most effectively in the current study's findings branded its identity with an institutional-wide engaged learning program. More importantly, this identity was reflected throughout the entire fabric of the institution. Practically every publication, including the institution's home webpage, was branded with the program. Additionally, the institution focused its budget and its private giving campaign on enhancing this

program. This sort of focused institutional commitment to being something specific and relevant is essential to small liberal arts colleges. It is not enough to simply be a traditional liberal arts college in the twenty-first century; these colleges must become distinctive in the eyes of their prospective students and institutional constituents.

Enrollment and Accessibility

The current study's findings indicated that sustaining a small liberal arts college in "the south" is a significant challenge. Enrollment challenges facing these institutions will likely become even more exaggerated in the coming decades with the proliferation of online education, the rising costs of education, and the increases in minority population not typically well-represented in liberal arts college enrollments. Consequently, liberal arts colleges must redefine themselves in the market and employ strategies that leverage their institutional aid. Additionally, as tuition increases and institutional aid decreases, small liberal arts colleges essentially define, to a large extent, the specific demographic capable of attending their institutions. As a recommendation for future practice, liberal arts institutions must seek to establish a balance between reaching net tuition revenue targets and offering an accessible liberal arts education that protects diversity in education. A sole focus on maximizing revenue will lead to limited diversity inside the walls of liberal arts colleges, betraying the liberal arts mission, and will eliminate significant numbers of students in applicant pools, especially in the south. Additionally, liberal arts colleges should seek to expand their markets beyond their state or immediate region, which would allow these schools to develop a bigger applicant pool and a more nationally focused brand.

A Balanced Approach

Finally, it is important for liberal arts colleges to accept that simply cutting costs or simply increasing private giving alone will not create a sustaining organizational structure. In order for liberal arts colleges to survive, they must continue to juggle the importance of net tuition revenue, private gift revenue, endowment earnings, and controlled-cost practices. An institution cannot save or spend its way into prosperity nor can it rely exclusively on one type of revenue to thrive. Rather, the institution must have active revenue streams and continually and prudently invest in aspects of the institution that enhance the student experience while also maintaining a fiscally responsible approach to spending and saving.

Chapter Summary

This chapter presented the findings of the current qualitative multiple-case study that investigated how private liberal arts colleges adapted during the Great Recession of 2007 by examining institutional changes at three private liberal arts colleges and their effects on the institutions' operations. Specifically, the study sought to understand how these institutions were pressured, what strategies they employed to respond, how those strategies affected the institutions' operations, and how the strategies were perceived by organizational constituents. The current study's findings provided several opportunities for future research regarding organizational adaptation in liberal arts colleges. Researchers will benefit from further investigating the similarities and differences among different institutional constituencies' perceptions regarding the nature and process of adaptation, including board of trustees members, presidents, administrators, and faculty members; the role of the board of trustees in small, private, liberal arts colleges; and the nature and process of adaptation at geographically diverse liberal arts colleges. Additionally, practitioners in liberal arts colleges will benefit from giving attention to the nature of shared governance, the role of institutional identity, balancing

enrollment revenue and diversity needs, and adapting to environmental pressures with a balanced fiscal approach. These recommendations for research and practice will serve to strengthen the modern role of the liberal arts college and ensure its survival as America's oldest form of higher education.

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APPENDIX A

Email Seeking Institutional Participation

Liberal Arts Colleges During the Great Recession:
Examining Organizational Adaptation and Institutional Change
Principal Researcher: Ashlie Junot Hilbun
Faculty Advisor: Dr. Ketevan Mamiseishvili

From: Ashlie Junot Hilbun
Sent: [DAY, MONTH XX, 2012]
To: [PARTICIPANT]
Subject: Institutional Participation in Adaptation Study

Dear [PARTICIPANT]:

I hope this email finds you well. We spoke earlier this summer about [CASE INSTIUTION] participating in a research study examining the adaptability and survivability of liberal arts colleges as they attempt to remain relevant in the twenty-first century, and I want to follow up with you regarding that conversation. I'm happy to report to you that I defended my dissertation proposal and my committee approved me moving forward with the study as we discussed in July.

I'd like to schedule a two to three day visit on campus and seek your advice on timing. Please be certain that my visit will not require accommodations of any sort outside scheduled appointments and observations as outlined below.

Participant Interviews. I request a one-hour meeting with the following position holders. If you provide me with the names of these folks, I'm happy to coordinate meetings.

- President
- Members of the president's cabinet
- Two faculty members who hold leadership roles in the faculty governing body
- At least one board of trustees members

Documents. Additionally, I'd like access to the following documents with your approval:

- Budgets for FY06-FY13
- Strategic plans FY06-FY13
- Organizational charts FY06-FY13
- Meeting minutes – cabinet meeting and faculty meetings FY06-FY13
- Course catalogs FY06-FY13
- Official institutional survey or study results and reports FY06-FY13
- Admissions statistics and reports FY06-FY13

I've enclosed a case study protocol for your review so that you are aware of the details of the study. I look forward to your feedback by email or phone. I will call you in the next few days to follow up.

My best,

Ashlie Junot Hilbun
University of Arkansas
Fayetteville, Arkansas
Email: ahilbun@uark.edu

APPENDIX B

Case Study Protocol

Liberal Arts Colleges During the Great Recession:
Examining Organizational Adaptation and Institutional Change
Principal Researcher: Ashlie Junot Hilbun
Faculty Advisor: Dr. Ketevan Mamiseishvili

I. Background

- a. Purpose of Study: The current study's purpose is to understand how private liberal arts colleges adapted during the Great Recession of 2007 by examining institutional changes at three private liberal arts colleges and their effects on the institutions' operations.
- b. Research Questions:
 - What external environmental pressures influenced the liberal arts colleges during the Great Recession of 2007?
 - What adaptive strategies did the liberal arts colleges employ to respond to the external environmental pressures during the Great Recession of 2007?
 - How did the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007 affect their operations?
 - How did institutional constituents perceive the adaptive strategies employed by the liberal arts colleges to respond to the external environmental pressures during the Great Recession of 2007?

II. Design: Qualitative Multiple-Case Study

- a. Rationale: It is most appropriate to frame the current study as a qualitative, multiple-case study approach. With little scholarly research focused on the adaptation of liberal arts colleges in the twenty-first century, the purpose of the current study and the nature of the present research questions are largely exploratory, aiming to discover aspects of the process of change as well as how and why these changes occurred. To better understand the central phenomenon of adaptability in liberal arts colleges amidst changing external contexts in the twenty-first century, the researcher will engage in an intensive study of three institutions that accepts several contexts. The researcher will produce both an independent and holistic description of each case as well as a comparative analysis of common themes among all three cases (Merriam, 2009; Stake, 2000). This approach guarantees both a descriptive and comparative focus in the study.
- b. Sampling: The current study will employ "nonrandom, purposeful, and small" sampling strategies on two levels: the case level and the participant level (Merriam, 2009, p. 8).

III. Data Collection

- a. Data collection sources:

- *Participant interviews* with president, members of president’s cabinet, two faculty members who held leadership roles in the faculty governing body, and at least one board of trustees member.
 - On-campus, face-to-face, approximately 1 hour in duration.
 - Will review and sign participant information and informed consent form.
 - *Direct and informal observation* of campus happenings.
 - *Document analysis* of organizational charts; strategic plans; board of trustee meeting minutes; board of trustees resolutions; cabinet meeting minutes, faculty meeting minutes; alumni board meeting minutes; course catalogs; opinion survey results; official institutional publications and press releases; admissions data; budgets and review of costs and revenues, and institutional profile and statistics.
- b. **Data Collection Plan:** In the current study, data collection will primarily occur during intensive fieldwork, defined by Patton (2002) as the “circumstance of being in or around an on-going social setting for the purpose of making a qualitative analysis of that setting” (p. 262). To properly record, describe, and interpret data collection during fieldwork, I will take field notes that contain participants’ observations and comments as well as my own reactions and reflections. As advised by Merriam (2009) and Patton (2002), these two categories of notes will be kept separate within all field notes document. Additionally, as suggested by Patton (2002), I will aim to produce field notes that have “thick, deep, and rich description” and “use quotations” as appropriate (p. 331). Finally, the researcher will tape record interviews and observations as permitted by the study’s participants (Patton, 2002).
- c. **Data Storage:** Data will be stored on a secure computer and in a locked box during the study, and available exclusively to the principal researcher and faculty advisor.

IV. Analysis

- a. **Descriptive phase:** In the descriptive phase, I will organize and transcribe interview, observation, and document data. This process will necessitate that I first review the data multiple times and cultivate an independent understanding of each case (Merriam, 2009; Creswell, 2008; Patton, 2002). This process will be accomplished by producing a written case record for each case institution, which is essentially an organized compilation of all data collected during the study for the specific institution (Patton, 2002). According to Creswell (2008), data collected can be organized by source type, site, or a combination of both. Further, Merriam (2009) stated the organization can be time or topic based. I will make a judgment about organizational methods once data is initially reviewed. As Creswell (2008) advised, I will keep duplicate copies of all forms of data. The process of coding data will follow the process of organizing data and developing a case record. Merriam (2009) defined coding as “assigning some sort of shorthand designation to various aspects of your data so that you can easily retrieve specific pieces to the data” (p. 164). Researchers develop these codes or categories on their own or from participant or literature input. The codes should always mirror the study’s purpose, should be mutually exclusive, and comprehensive (Merriam, 2009). However, as Creswell (2008) and Patton (2002) described, the coding process is largely an interpretive

one; coding and theme decisions are exclusively the researcher's to make. In terms of process, Creswell (2008) suggested coding the documents in the left-hand margin and reserving the right margin for developing themes, the next step of the analysis process.

- b. Interpretative phase: In interpreting these themes, I will develop explanations regarding the study's research questions as well as explain data divergence that might contradict the study's patterns or themes (Patton, 2002). Additionally, I will engage in pattern matching, described by Yin (2009), as "one of the most desirable techniques" to use for case studies because it "compares an empirically based pattern with a predicted one," which here is based in the theoretical framework outlined in the study (p. 136). Finally, in an effort to provide the most sophisticated level of data analysis and interpretation, I will give attention to the extent in which the study's themes crossover multiple data sources or perspectives (Creswell, 2008). The study's findings will also be interpreted with respect to past studies, observations and reflections about the current study including the process and potential limitations, and future need for study expansion. And as Patton (2002) directed, I will address the strength and consistency of the study's evidence, how it informs the study's purpose and research questions, and the extent in which the findings are useful in light of a specific purpose.

V. Research Trustworthiness

- a. To ensure that the research findings are accurate and that I have reported a credible explanation of these research findings, I will use multiple types of data sources to develop interpretations, I will spend extended time in the field, and I will ask participants to verify interview responses and records.
- b. To ensure that the research findings can be transferred to other contexts, I will use highly descriptive data and multiple cases of analysis.
- c. To ensure that I, as the researcher, remain neutral and conduct the research study in an objective manner, I will record my actions and reflections throughout my fieldwork.
- d. To ensure dependability of results, the study will be carried out in accordance with study protocols; an audit trail will be well documented.

VI. Ethical Considerations

- a. Please refer to the participant information and informed consent form (Appendix E) for a detailed outline of ethical considerations.

VII. Limitations

- a. The current study is inherently limited due to its qualitative design; limitations include issues of researcher bias, transferability restrictions, and imperfect validity and reliability of data sources and interpretation (Creswell, 2008; Merriam, 2009).

VIII. Reporting

- a. The final report of the research study will be submitted in accordance with the dissertation guidelines of the Higher Education Doctoral Program at the University

of Arkansas. Each case institution will be furnished with a complete and final copy of the research study.

IX. Schedule

- a. January-February: Fieldwork and data collection; the researcher will work with institutional contacts to setup a two to three day on-site visit at each case institution.
- b. March-April: Data analysis and interpretation
- c. April: Finalize report
- d. May: Distribute complete and final copy of research study to each case institution.

X. Contact Information:

This study was approved by Dr. Ketevan Mamiseishvili, faculty advisor, and Ro Windwalker, institutional review board coordinator at the University of Arkansas. If you have any questions regarding the current study or about your rights as a participant, or if you are concerned at any time with regard to the current study, you may contact Dr. Mamiseishvili, Ms. Windwalker, or myself.

Ashlie Junot Hilbun
Principal Researcher
ahilbun@uark.edu

Dr. Ketevan Mamiseishvili
Faculty Advisor
479-575-3781
kmamisei@uark.edu

Ro Windwalker, CIP
Institutional Review Board Coordinator
Research Compliance
University of Arkansas
120 Ozark Hall
Fayetteville, Arkansas 72701-1201
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irb@uark.edu

References

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- Merriam, S. B. (2009). *Qualitative research: A guide to design and implementation* (3rd ed.). San Francisco, CA: Jossey-Bass.
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APPENDIX C

Institutional Review Board Documentation

Liberal Arts Colleges During the Great Recession:
Examining Organizational Adaptation and Institutional Change
Principal Researcher: Ashlie Junot Hilbun
Faculty Advisor: Dr. Ketevan Mamiseishvili



Office of Research Compliance
Institutional Review Board

January 17, 2013

MEMORANDUM

TO: Ashlie Hilbun
Ketevan Mamiseishvili

FROM: Ro Windwalker
IRB Coordinator

RE: New Protocol Approval

IRB Protocol #: 12-12-358

Protocol Title: *Liberal Arts Colleges in the Twenty-First Century: Remaining Relevant through Organizational Adaptation*

Review Type: EXEMPT EXPEDITED FULL IRB

Approved Project Period: Start Date: 01/17/2013 Expiration Date: 01/09/2014

Your protocol has been approved by the IRB. Protocols are approved for a maximum period of one year. If you wish to continue the project past the approved project period (see above), you must submit a request, using the form *Continuing Review for IRB Approved Projects*, prior to the expiration date. This form is available from the IRB Coordinator or on the Research Compliance website (<http://vpred.uark.edu/210.php>). As a courtesy, you will be sent a reminder two months in advance of that date. However, failure to receive a reminder does not negate your obligation to make the request in sufficient time for review and approval. Federal regulations prohibit retroactive approval of continuation. Failure to receive approval to continue the project prior to the expiration date will result in Termination of the protocol approval. The IRB Coordinator can give you guidance on submission times.

This protocol has been approved for 40 participants. If you wish to make *any* modifications in the approved protocol, including enrolling more than this number, you must seek approval *prior* to implementing those changes. All modifications should be requested in writing (email is acceptable) and must provide sufficient detail to assess the impact of the change.

If you have questions or need any assistance from the IRB, please contact me at 210 Administration Building, 5-2208, or irb@uark.edu.

210 Administration Building • 1 University of Arkansas • Fayetteville, AR 72701
Voice (479) 575-2208 • Fax (479) 575-3846 • Email irb@uark.edu

The University of Arkansas is an equal opportunity/affirmative action institution.

APPENDIX D

Participant Interview Protocol

Liberal Arts Colleges During the Great Recession:
Examining Organizational Adaptation and Institutional Change
Principal Researcher: Ashlie Junot Hilbun
Faculty Advisor: Dr. Ketevan Mamiseishvili

Time of Interview:

Date:

Place:

Interviewer:

Interviewee:

Position of Interviewee:

[Briefly introduce myself and thank the participant for attending the meeting. Give the interviewee the Informed Consent Form (Appendix E) and direct the participant to follow along as I review the information about the study, participant requirements, participant risk and rights, contacts for the current study, and consent to participate. Ask the participant if they have any questions. Instruct the participant to take as much time as he or she needs to review the document and, if they consent, sign the document.]

[Turn on the tape recorder]

[Instruct the participant that the scope of the following interview questions is limited to the last decade at [CASE INSTITUTION].]

Interview Questions: *start with less controversial questions*

1. Tell me about your relationship with [CASE INSTITUTION].
Probes: Graduate of [CASE INSTITUTION]?
Current position at [CASE INSTITUTION]?
If I shadowed you for a typical day, what would I observe you doing?
2. How would you describe [CASE INSTITUTION] to a prospective student/employee/outsider?
Probes: Brief history...
College mission...
College vision...
Current tuition...
Current enrollment...
Number of faculty members...
Number of majors...
Distinctive because...
3. Describe if and how the Great Recession of 2007 affected [CASE INSTITUTION]?

- Probes: How was this different from pre-recession times?
 How did these changes affect the mission, enrollment, culture, and operations?
 How did these changes compare to pre-recession times?
4. How did [CASE INSTITUTION] respond to the changes you mentioned during and after the recession?
 Probes: Curriculum, admissions, alumni relations and fundraising, athletics...
 How were these adjustments made? Walk me through the process...
 5. What role did you have in making adjustments at [CASE INSTITUTION] during this period?
 Probes: Which adjustments were most difficult?
 6. Who else had a role in making adjustments at [CASE INSTITUTION] during this period?
 Probes: President, faculty, administration, alumni...
 Which adjustments were most controversial? Why?
 7. How, if at all, was the mission at [CASE INSTITUTION] adjusted post-recession?
 Probes: What purpose does [CASE INSTITUTION] now serve?
 Is it the same purpose it served pre-recession?
 8. What areas of [CASE INSTITUTION] were most transformed by the adjustments made in response to the recession?
 Probes: Describe the changes in priorities? Daily activities?
 Does [CASE INSTITUTION] highlight different things in the press and publications than it did pre-recession?
 9. If the 2006 version of you were sitting here, what would most surprise you about the institution's current state?
 10. How would you characterize the adjustments made at [CASE INSTITUTION] in response to recession?
 11. Describe the process of institutional decision-making at [CASE INSTITUTION] before, during, and after the recession?
 Probes: In your opinion, was the decision-making process effective?
 Describe the culture of [CASE INSTITUTION}. Did it influence the adjustments made during this period?
 12. What were the biggest successes during these institutional adjustments?
 13. What were the failures during these institutional adjustments?
 14. Describe the current direction of the institution?
 Probes: What is your opinion of the direction of [CASE INSTITUTION]?

How do you picture [CASE INSTITUTION] in the 2022?
 How do you think the institution will get there?

15. Is there anything else you would like to add to our discussion?

[Thank the interviewee for his or her participation. Reassure the participant of their rights and my commitment to abiding by ethical practices throughout the research study. Give the interviewee my contact information and encourage them to contact me anytime.]

Question	Descriptive Notes	Reflective Notes
1. Tell me about your relationship with [CASE INSTITUTION]. Probes: Graduate of [CASE INSTITUTION]? Current position at [CASE INSTITUTION]? If I shadowed you for a typical day, what would I observe you doing?		
2. How would you describe [CASE INSTITUTION] to a prospective student/employee/outsider? Probes: Brief history... College mission... College vision... Current tuition.... Current enrollment... Number of faculty members... Number of majors... Distinctive because...		
3. Describe if and how the Great recession of 2007 affected [CASE INSTITUTION]? Probes: How was this different from pre-recession times? How did these changes affect the mission, enrollment, culture, and operations? How did these changes compare to pre-recession times?		

4. How did [CASE INSTITUTION] respond to the changes you mentioned during and after the recession?			
Probes:			
Curriculum, admissions, alumni relations and fundraising, athletics...			
How were these adjustments made? Walk me through the process...			
5. What role did you have in making changes at [CASE INSTITUTION] during this period?			
Probes:			
Which changes were most difficult?			
6. Who else had a role in making adjustments at [CASE INSTITUTION] during this period?			
Probes:			
President, faculty, administration, alumni...			
Which adjustments were most controversial? Why?			
7. How, if at all, was the mission at [CASE INSTITUTION] adjusted post-recession?			
Probes:			
What purpose does [CASE INSTITUTION] now serve?			
Is it the same purpose it served pre-recession?			
8. What areas of [CASE INSTITUTION] were most transformed by the adjustments made in response to the recession?			
Probes:			
Describe the changes in priorities? Daily activities?			
Does [CASE INSTITUTION] highlight different things in the press and publications than it did pre-recession?			
9. If the 2006 version of you were sitting here, what would most surprise you about the institution's current state?			
10. How would you characterize the adjustments made at [CASE INSTITUTION] in response to recession?			
11. Describe the process of institutional decision-making at [CASE INSTITUTION] before, during, and after the recession?			
Probe:			

In your opinion, was the decision-making process effective?		
Describe the culture of [CASE INSTITUTION}. Did it influence the adjustments made during this period?		
12. What were the biggest successes during these institutional adjustments?		
13. What were the failures during these institutional adjustments?		
14. Describe the current direction of the institution?		
Probes:		
What is your opinion of the direction of [CASE INSTITUTION]?		
How do you picture [CASE INSTITUTION] in the 2022?		
How do you think the institution will get there?		
15. Is there anything else you would like to add to our discussion?		

APPENDIX E

Consent to Participate in Research Study

Liberal Arts Colleges During the Great Recession:
Examining Organizational Adaptation and Institutional Change
Principal Researcher: Ashlie Junot Hilbun
Faculty Advisor: Dr. Ketevan Mamiseishvili

INVITATION TO PARTICIPATE

I seek your participation in a research study examining how private liberal arts colleges have adapted during the twenty-first century. The research study fulfills my dissertation requirement in the higher education doctoral program at the University of Arkansas, in which I am currently enrolled as a doctoral candidate. Your participation in the study is useful by nature of the position you hold at [CASE INSTITUTION] or by nature of your experience at [CASE INSTITUTION].

WHAT YOU SHOULD KNOW ABOUT THE RESEARCH STUDY

Principal Researcher
Ashlie Junot Hilbun
ahilbun@uark.edu

Faculty Advisor
Dr. Kate Mamiseishvili
479-575-3781
kmamisei@uark.edu

Purpose of the Study. The current study's purpose is to understand how private liberal arts colleges adapted during the Great Recession of 2007 by examining institutional changes at three private liberal arts colleges and their effects on the institutions' operations. The study has the potential to inform other liberal arts colleges by describing the experiences of case institutions under investigation. The contribution of this research to the understanding of organizational adaptation research may be significant.

Participants in the Study. Three case institutions will participate in the study. Within each case institution, five to 10 institutional participants will be selected to participate in the study. The study will be completed over a 6-week period with fieldwork at each case institution lasting between two and three days.

Requirements for Participation. Your participation will require one semi-structured interview. Interviews will be held on campus on [DATE]. Interview duration will be approximately 1 hour. Interviews will be tape recorded for the exclusive use of the principal researcher. In addition, the principal researcher will also take field notes during the interview. During the interview, the participant will be asked several questions about [CASE INSTITUTION]. The participant will also be asked to review a draft of the interview record and provide his or her feedback within 30 days of the completion of the interview. Additionally, the participant may be asked to allow the principal researcher to shadow the participant as a nonparticipant observer for one full day.

Potential Risks/Discomforts and Benefits of the Study. There are no anticipated risks/discomforts associated with the current study. The results of the study will potentially

contribute significantly to the existing body of research on liberal arts colleges and organizational adaptation.

Monetary Costs and Benefits. There are no monetary costs or compensation associated with your participation.

Option to Refuse to Participate. If you do not want to be in this study, you may refuse to participate. Also, you may refuse to participate at any time during the study. Your relationship with the university will not be affected in any way if you refuse to participate.

Protection of Confidentiality. All information will be kept confidential to the extent allowed by applicable State and Federal law and University policy. The principal researcher and faculty advisor will have exclusive access to research data, which will be securely stored electronically and physically. Participant data will only be made available to other individuals if permitted in writing by the participant. Additionally to ensure confidentiality, participants or the principal researcher will choose a pseudonym for participants and institutions.

Right to Know the Study's Results. At the conclusion of the study you will have the right to request feedback about the results. You may contact the faculty advisor, Dr. Kate Mamiseishvili, or Principal Researcher, Ashlie Junot Hilbun. You will receive a copy of this form for your files.

Questions About the Study. You have the right to contact the Principal Researcher or Faculty Advisor as listed below for any concerns that you may have. You may also contact the University of Arkansas Research Compliance office listed below if you have questions about your rights as a participant, or to discuss any concerns about, or problems with the research.

Ashlie Junot Hilbun
Principal Researcher
ahilbun@uark.edu

Dr. Ketevan Mamiseishvili
Faculty Advisor
479-575-3781
kmamisei@uark.edu

Ro Windwalker, CIP
Institutional Review Board Coordinator
Research Compliance
University of Arkansas
120 Ozark Hall
Fayetteville, Arkansas 72701-1201
479-575-2208
irb@uark.edu

I have read the above statement and have been able to ask questions and express concerns, which have been satisfactorily responded to by the investigator. I understand the purpose of the study as well as the potential benefits and risks that are involved. I understand that participation is voluntary. I understand that significant new findings developed during this research will be shared with the participant. I understand that no rights have been waived by signing the consent form. I have been given a copy of the consent form.

Participant Signature

Date

**Please retain the duplicate copy of this form for your records.

APPENDIX F

Member Checking Email

Liberal Arts Colleges During the Great Recession:
Examining Organizational Adaptation and Institutional Change
Principal Researcher: Ashlie Junot Hilbun
Faculty Advisor: Dr. Ketevan Mamiseishvili

From: Ashlie Junot Hilbun
Sent: [DAY, MONTH XX, 2013]
To: [PARTICIPANT]
Subject: Verification of Interview Record

Dear [PARTICIPANT]:

On [DATE], you participated in an interview as part of a research study I conducted regarding how private liberal arts colleges adapted during the Great Recession of 2007.

First, thank you for your participation. As anticipated, your participation yielded valuable information that will help inform my research findings and contribute to the larger body of research on organizational adaptation.

Second, I've attached a record of your interview. To ensure that research findings are as accurate as possible, I request that you review the record and provide me with your feedback. Please mark your comments on the document itself or attach a document with your comments. Please note that your feedback is requested by [DATE], after which date I will assume you approve the record as it is in its current form. Please remember that key identifying information will be disguised or removed from the final research report.

I hope you'll give the document your careful attention. Feel free to contact me as you review the record if you have questions, comments, or concerns.

My best,

Ashlie Junot Hilbun
University of Arkansas
Fayetteville, Arkansas
Email: ahilbun@uark.edu

APPENDIX G

Observational Protocol

Liberal Arts Colleges During the Great Recession:
Examining Organizational Adaptation and Institutional Change
Principal Researcher: Ashlie Junot Hilbun
Faculty Advisor: Dr. Ketevan Mamiseishvili

Observational Field Notes

Case Institution:
Description of Observation:
Length of Observation:
Date:
Time:
Role of Observer:

Description of Object		Reflective Notes
[TIME]	[DESCRIPTION]	[REFLECTION]

Figure Caption

Figure 1. Overview of participants and the duration of their service at their respective institutions between 2006 and 2013.