# History, Execution, and Opposition: Restructuring Higher Education
## Ian Crone

*Faced with heightened costs and scarce resources, higher education in the United States has been forced to revisit many traditional philosophies of staffing, organization, and budget allocation. This paper will discuss the events that have led many colleges and universities to consider institutional restructuring, and will describe several methods of reorganization. These methods include retrenchment and radical restructuring; re-engineering and reorganization; and consolidation. For each approach, the means of implementation will be discussed, as well as respective strengths and challenges.*

Given the increasing competition for limited resources and the heightened demand for quality and accountability, higher education in the United States has been forced to reevaluate its role and administration on an unprecedented scale. Calling it the most significant crisis in over 40 years, Guskin (1994) noted that colleges and universities now face expenses that exceed revenue and charge tuition that surpasses students' ability or willingness to pay. In an environment where projected tuition increases will soon exclude all but the wealthy, where nearly half of all public universities routinely suffer mid-year budget cuts, and where federal cuts force private institutions to devote nearly 40% of tuition receipts to financial-aid tuition discounting; higher education can survive only with significant, even radical, changes in how it organizes its administrative structures and educates students (Guskin, 1994).

Today, this radical change, or restructuring, has become a reality at over 200 colleges and universities (Guskin, 1996). Ranging from active decentralization to stringent consolidation, the manner in which institutions have undertaken the process of change varies in rigor and philosophy. Many have suggested patterning change upon the corporate model for organizational streamlining (Bruegman, 1995). Others, who argue the parity of knowledge, assert that any academic inquiry merits support and struggle to apportion scarce resources among competing missions (Benjamin & Carroll, 1996).

This paper will address the challenge of restructuring the small, private university. After briefly reviewing the events and culture which necessitate university restructuring, three approaches to restructuring will be described. The three methods of restructuring will be delineated and their respective inherent challenges will be discussed. These methods are retrenchment and radical restructuring; re-engineering and reorganization; and consolidation.

Commenting on the events and culture that necessitated university restructuring, Bruegman (1995) described the $213 billion-a-year academic industry as Byzantine and a textbook candidate for sweeping re-engineering. Origins of today's textbook candidate predate World War II, when growth of higher education resources matched the gradual increase in demand for student enrollment (Benjamin & Carroll, 1995). Faced with skyrocketing enrollment pressure and

increased mission differentiation, post-war institutions could not develop strategy or criteria to distinguish academic productivity or apportion resources (Benjamin & Carroll). Massive institutional growth and increased spending ensued.

During the 1980s, the booming economy gave higher education little reason not to increase spending (Dunn, 1992). Higher education had become an idea factory demanding increasingly more money to support evolving disciplines, scientific and technological advances, administrative proliferation, and competitive faculty salaries (Dunn). By the early 1990s however, as institutional expenses and tuition increased far faster than typical family incomes, prospective students and the federal government began to question the cost of higher education (Dunn). The need to restructure had become apparent.

### Radical Restructuring

Adopting methods of organizational change used by corporate business, higher education developed several strategies to address this need for restructuring. One of these strategies is retrenchment and radical restructuring. Balderston (1995) describes retrenchment as, "a set of short-term responses to adverse conditions...typically designed to be adopted and implemented quickly" (p. 329). Following the initial stages of containing immediate overspending and securing cash flow, an institution's chief executive officer may elect to conduct radical restructuring (Balderston). Radical restructuring is primarily a top down approach to restructuring higher education, with emphasis placed on drastically limiting expenditures, severe administrative and support staff elimination and active assessment of a university unit's overall worth (Balderston).

Given what Balderston (1995) called the culture of permanence and strong sense of community existing on small private universities, such drastic cuts are frequently met with active and vocal resistance. Guskin (1996) sought to explain the foundation for this challenge to radical restructuring, noting that resistance to change occurs when a leader challenges the comfort of the group; the members' satisfaction with the established level of their power, prestige, privileges, position; and satisfaction with who they are, what they believe, and what they cherish. In other words, members of a higher education community feel threatened when they perceive the fundamental benefits of their position stripped away by external, uncontrollable, and unanticipated forces (Balderston, 1995).

Yet another obstacle opposing radical restructuring is what Balderston (1995) described as the lack of agreement concerning academic quality and how to achieve and sustain it. An academic department's direct, or an administrative unit's indirect, productivity is hard to quantify (Benjamin & Carroll, 1996). In fact, Benjamin and Carroll explain that this absence of criteria for delineating the comparative value of academic fields significantly contributed to the proliferation of competing academic departments and established an educational environment of uncontrolled growth. To combat the concept that all academic fields are equally important, Benjamin and Carroll suggest the development of specific criteria, such as quality of faculty achievement, centrality to institutional mission, and demand exhibited by community. This will enable a chief executive officer to

identify how to best allocate limited resources and eliminate unproductive units during radical restructuring.

Balderston (1995) notes that such an approach to restructuring is only suggested in extreme cases of financial desperation because of the significant obstacles opposing retrenchment and radical restructuring, and the subsequent damage that can come from depreciating institutional morale.

### Re-engineering and reorganization

Re-engineering and reorganization is one alternative that seeks to avoid this community resistance and confusion about relative academic productivity (Balderston, 1995). Focusing on long term savings and growth rather than immediate financial crisis, re-engineering and reorganization seeks to achieve more and better outcomes for given resources and requires the active involvement of faculty, administration, and students (Balderston). Unlike radical restructuring, re-engineering and reorganization requires a strong chief executive officer to communicate the urgent need to change, enlist a leadership team, foster collaboration, and establish a vision for the future (Guskin, 1996).

Guskin (1996) explained that re-engineering and reorganization at a small, private university would seek to capitalize on innovative integration of technology and faculty productivity. However, Balderston (1995) noted that integration of technology could not simply fill the role of faculty, and that comprehensive redesign of each organizational unit and the tasks performed by it is what justifies the term re-engineering. In other words, re-engineering and reorganization requires investments in time, money, and human resources to assure that faculty and administrators can make the most of a networked information system.

Encompassing up to five years, re-engineering and reorganization would likely require a process which first requires development of a working consensus regarding the urgent need to restructure, wherein the chief executive officer would overcome the culture of permanence and establishes an understanding of the need for change (Guskin, 1996). Then the re-engineering and reorganization effort would require a working consensus around a vision of the institution's future (Guskin). In this instance, the leadership must communicate an understanding of what restructuring will lead to: heightened viability and better service to students. The leadership of the restructuring university should seek out those people who are supportive of the change effort and work with them (Guskin). Doing this will reduce opposition and expand the base of innovative ideas and support available to re-engineering. Finally, leaders of the restructuring process will discover that the restructured institution does not emerge whole at once; rather, it is implemented in a series of phases that evolve over time (Guskin).

While re-engineering and reorganization is designed to involve much of the institutional community and focus on deliberative improvement geared toward student learning, Guskin (1996) does note that obstacles still exist. Should changes take too long, or impact the learning process too little, true re-engineering is not taking place (Guskin).

### Consolidation

While both retrenchment and re-engineering are methods of enacting change, a third approach to restructuring, consolidation, focuses on the results of organization redesign. Balderston (1996) explains that consolidation, or the combination of academic or administrative functions, generally entails short-term transition costs, which are more than offset by long-term performance improvements and cost savings. Benjamin and Carroll (1996) suggest one form of consolidation could involve sharing of infrastructure among urban institutions or using distance technology to reduce redundant general education course offerings. Nicklin (1996) provides an example of the former when she describes the formation of the Colleges of the Fenway, a partnership established by the Massachusetts College of Pharmacy and Allied Health Sciences, the Wentworth Institute of Technology, and Wheelock College. Within this consolidation, small private universities share class offering, student events, and facilities, while maintaining the individual identity of each (Nicklin). Bruegman (1995) also suggests consolidating the decision making authority within a smaller number of chief operating officers who maintain the educational mission of the university while outsourcing support functions. In both, the combination of academic or administrative functions can lead to long-term performance improvements and cost savings.

While Guskin (1996) has said that within 10 years nearly all institutions of higher education will need to restructure, it appears that change at many small private universities has begun. Throughout higher education, methods of addressing increasing costs and limited resources are being tested, and several approaches to institutional restructuring have come to light. Each of the three methods of restructuring discussed, retrenchment and radical restructuring; re-engineering and reorganization; and consolidation, have their respective strengths and weaknesses. Success varies according to institutional culture and no quick solutions appear to exist. Will these approaches to restructuring redress the financial crisis of higher education? Only time and innovative higher education administrators will decide.

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# A Study of the Effects of Academic Community Floors

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*Student affairs professionals have designed residential programs to enhance students' learning. One program is the academic community floor. This study examines the impact of the academic community floor on student perception of the effect the floor environment has on academic achievement. The study found that students living on the academic community floors generally had higher predicted GPAs and were more satisfied with the floor environment as it related to academics.*

## Introduction and Literature Review

　　　　In response to the changing role of student affairs professionals, residential facilities have set new goals for enhancing student development. Residential staff hypothesize that by establishing a productive social climate, a sense of community will develop within living areas (Blimling & Schuh, 1981). Buckner (1977) viewed residence halls as the ultimate resource for creating a comprehensive educational experience. The basic premise is that integrating education into the living environment will promote student achievement and feelings of overall satisfaction with the campus. These were some of the ideas that spawned the creation of academic residence halls. Residence life can play an important role in supporting the academic mission of the university. Because students spend a great deal of time in their residence halls, they are ideal places to develop programming that supports academic achievement (Blimling, 1993).

　　　　This study looks at the academic community floors in the residence halls at a large Research I public university in the Midwest. These academic community floors are designed and marketed as floors for students who are committed to the academic experience. The students are expected to, as a floor unit, decide how and when to create study hours and to extend quiet hours. The resident assistants for these floors may also serve to create an academic environment by enforcing quiet and study hours and by creating programming to enhance the academic experience, such as tutoring or study tables.

　　　　Past studies have concluded that residence halls contribute to students' overall campus experience and enhance college persistence when compared to students who live off-campus or commute from their parents' homes (Astin, 1975). It is critical that student affairs professionals investigate and acknowledge the potential that academic community floors could add to residential living. This study proposes to investigate whether or not these academic community floors enhance student satisfaction with their residence hall environment. By surveying students, the researchers hope to assess the climate of the floor and to determine if the students perceive the environment to be conducive to learning.

*Literature Review*

　　　　Nowack and Hanson (1985) examined 1,302 first-year residence hall students and 740 non-residence hall students. Academic achievement was mea-