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ABSTRACT

In the U.S., rising student debt and growing public dissatisfaction with the cost of college are pressuring colleges and universities to change. While most leaders of postsecondary institutions would like to innovate to meet this affordability challenge, such change is intrinsically difficult due to the structural inertia that mires the entire field of higher education. This predicament is especially arduous for small private institutions without large endowments or donor bases to offset their reliance on tuition. These institutions are already struggling to survive, making affordability a secondary priority at best. However, one of these small, non-wealthy institutions reinvented itself in an effort to meet these affordability and viability challenges. This dissertation examines that institution.

Faith College, a small and relatively unknown Christian institution in the Midwest, remade itself rapidly over the course of a few years to offer affordable, three-year degrees to students. By redesigning its curriculum and reimagining its value proposition, the institution became both more affordable and viable in a few short years.

Using a mixed-methods case study approach, this dissertation blends grounded theory and existing conceptual frameworks to analyze the driving forces behind the institution’s transformation during this period. Based on 16 interviews, hours of observation, and several hundred pages of institutional documents, this research distills three core findings from Faith’s example.

First, high levels of social capital between administrators and employees created trust between leaders and followers. Second, a compelling sense of urgency within the institution helped overcome the structural inertia that typically constrains colleges and universities. By engaging in sensegiving, leveraging the exogenous shock of the Great Recession, and building a change-minded culture through the process of attraction-selection-socialization-attrition (ASSA), senior leaders cultivated an openness to change. Finally, the institution developed a mentality of academic capitalism that provided a focused, data-driven framework for decision-making and contributed additional resources through partnerships with local businesses.

This study demonstrates how social capital can be exchanged and transferred; how organizational inertia can be overcome through a combination of leadership, sensegiving, and contextual advantages; and how academic capitalism can benefit small, non-wealthy, private institutions.

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Chapter 1. INTRODUCTION

A quick scan of most any popular news outlet will likely suggest two things about higher education: colleges and universities are in financial trouble, and small, non-wealthy, private institutions in particular are struggling to survive. Many experts predict that postsecondary institutions are likely to follow the downward spiral of once-dominant newspapers and be run out of business by their online counterparts (Carey, 2009). College administrators echo this concern, as 96% of them believe higher education is experiencing a genuine financial crisis (Sanburn, 2012). Recent events such as the near-closure of Sweet Briar College in Virginia have added fuel to the fire, prompting some to suggest that this institution "was an early victim of a wave of closures about to sweep through higher education, claiming other colleges like it" (Carlson, 2015). Various forecasters predict between 250 and 2,000 institutions will close in the coming decades (Carlson; Suster & Christensen, 2013), with the bulk of these closures affecting small private institutions that do not possess household names or billion-dollar endowments. This message leaves the leaders of many of these institutions wondering what can be done to avoid their imminent demise and make their institutions financially sustainable.

Compounding the sustainability problems facing small, non-wealthy, private colleges and universities is the affordability crisis. The rising cost of college continues to outpace even the price of healthcare (Mitchell, 2015), making the future of affordable education incredibly bleak. Lower-income students are increasingly unable to attend college because of its price (Nellum & Hartle, 2015), and those that do enroll are subject to higher student loan amounts than ever before (Camera, 2015). Total student debt in the United States now surpasses $1 trillion (Friedman, 2014), drawing ever-increasing attention to the affordability issue. Colleges are largely responding to these challenges by defending the value of higher education. Some ambitious institutions are also attempting to improve affordability for students, but these ideals often conflict with the budget demands of the next fiscal year.

This problem is complex for even the wealthiest schools, but it is an absolute dilemma for the average small private college with limited resources. As these tuition-driven institutions clamor to attract students, affordability is a budgetary priority that can easily fall by the wayside. Unlike the Ivy League universities with billions in their endowments that can afford to eliminate loans from their financial aid packages (Sheehy, 2013), the median small private college endowment hovers around $41 million and generates relatively little annual revenue for the institution (National Center for Education Statistics, 2016). Since these institutions cannot draw on huge endowments to offset their costs, their alternative options are raising more money (a strategy they are already pursuing to meet annual needs) or cutting costs (a goal that rallies little enthusiasm). In short, the path to affordability is anything but smooth for this segment of higher education.

In sum, small, non-wealthy, private colleges and universities face some serious challenges. Struggling to survive under a tuition-driven business model, they are constantly forced to recruit more students or extract higher tuition from them. At the same time, they try to hold costs down and raise greater amounts of money to become more affordable. These conflicting priorities place these institutions in a precarious position for which no easily discernible solution exists. The path out of this reality seems to require a vastly different model of higher education—one that is simultaneously low-cost and highly attractive. Developing such a model within an existing college or university requires dramatic change, but changing within the field of higher education has historically been incredibly hard.

Change is Hard

Adapting to a rapidly changing environment is no easy task for even the most nimble startup company, but the challenge is even more severe for higher education institutions due to generally low trust between senior leaders and faculty members. For decades, researchers have noted that political tension between faculty and administrators limits their ability to work together to adapt to the challenges facing higher education (Etzioni, 1964). For even the most ambitious and well-intentioned leaders, these low levels of trust hinder progress toward mutually beneficial goals (Kezar, 2014a).

Some gifted leaders are able to bridge these gaps successfully, but even they face additional barriers created by the structural inertia present in colleges and universities. As described by Hannan and Freeman (1984), structural inertia is the inflexibility intrinsic to colleges and universities due to their conflicting priorities, long histories, and structural limitations. First, colleges and universities serve many competing constituencies: alumni, faculty, current students, administrators, trustees, and community members, to name a few. These groups each possess unique priorities that often conflict with one another, creating a decision-making environment that can be combative, time-intensive, and frustrating. Second, institutional histories limit the range of strategies that a postsecondary institution can pursue. Longstanding organizational norms or traditions can provide a valuable anchor to the past, but they also constrain the flexibility of leaders attempting to branch out in new directions by limiting the number of options that leaders can realistically consider (e.g., majors that must continue to offered even though they are not viable). Finally, structural limitations such as sunk costs (i.e. investments that cannot be recovered) in personnel and facilities make these organizations ill-suited for change (Hannan & Freeman, 1984). For both practical and legal reasons, institutions attempting to alter direction dramatically cannot easily shed costs or alter structures. Colleges cannot easily lease out their academic buildings, swap out one kind of faculty member for another, or have their Spanish faculty begin teaching Calculus classes. For all these reasons, colleges and universities are not able to change easily to address issues like rising costs or a highly competitive marketplace.

These challenges make successful change within the field of higher education a rare situation indeed. As Kezar (2014a) frankly states, “The research is not encouraging for change agents seeking to create [transformational] levels of change” (p. 62). This combination of fierce competition, rising costs, low levels of internal trust, and high degrees of inertia make any kind of fruitful adaptation within the field a case worthy of further study.

Despite these formidable barriers to change within the field of higher education, one such institution *has* changed dramatically in recent years. As this study will show, Faith College deviated from the incremental kind of change so common within higher education and made substantial and rapid revisions to its curriculum, staffing, and marketplace focus to become more affordable and financially sustainable. By examining this case in great detail, I hope to illuminate the context and process of swift organizational change within higher education. In so doing, this study provides insight for leaders within the field who are facing similar challenges today.

Faith’s Story

Faith College has undergone a rapid transformation in the last nine years, transitioning from a small and relatively average Christian college to a genuinely unique institution. In place of the traditional fall and spring semesters are four mini-mesters and an online summer semester that allows any student to finish his or her undergraduate degree in three years rather than four. Instead of raising tuition every year as most institutions do, Faith recently decided to lower its tuition, further adding to the cost savings that students gain by foregoing a fourth year of college.

Free book rentals and new academic programs further complement the revised organizational emphasis that the institution has embodied over the last few years, enabling more than two thousand students each year to attend an affordable Christian college.

These changes began for Faith back in 2007. Prompted by an internal financial crisis and the looming threat of closure, leaders at Faith began a multi-year reimagining process that would place the institution on the path to viability. Facing falling revenues and increasing expenses, a joint faculty and staff committee examined each of the institution's programs to recommend some for closure and others for greater investment. Each of the remaining programs was reduced to 120 credits, and all courses were redesigned for the compressed eight-week format to make the three-year degree possible. This new affordability emphasis attracted hundreds or additional students, lifting the institution from the brink of closure and setting it on a path toward financial viability. This revolution is a noteworthy accomplishment under any circumstances, but the speed with which the innovation occurred makes Faith a case deserving much greater scrutiny.

Overcoming Inertia

The story of Faith College is thus one of overcoming the structural inertia that typically strangles the change efforts of colleges and universities. Most institutions are highly limited in their ability to change dramatically with any real speed because of the aforementioned divisions between faculty and administration or crippling structural inertia. However, Faith *was* able to change, for two basic reasons: its lower levels of inertia and its exceptional leadership.

The first set of factors enabling Faith to change was its lower levels of structural inertia compared to many other colleges and universities. As a relatively young organization (less than 80 years old), it was less constrained by historic organizational norms than longer-established colleges. As a relatively small organization (less than 1,300 traditional students and 2,200 students overall), change leaders at Faith had fewer alumni to placate and less organizational complexity to overcome. These conditions combined to make change within Faith easier than it would have been within other organizational contexts.

These conditions alone do not explain Faith's rapid change trajectory, however. After all, many American institutions meet these same criteria of size and youth yet change very little from year to year. For instance, Faith's small size makes it appear unusual within the landscape of higher education. However, Faith is larger than 2,000 colleges and universities in the U.S., 827 of which are also four-year, private, non-profit institutions (National Center for Education Statistics, 2016). Similarly, as a 75 year-old institution, Faith seems to be an infant compared to institutions like Harvard that are nearly 400 years old. But in actuality, Faith predates more than 1,800 institutions in the U.S. (National Center for Education Statistics, 1993). (Statistics for institutional age do not differentiate based on institutional type.) Thus, while Faith's organizational traits made structural change easier, these factors alone do not explain its dramatic revolution. Possessing lower levels of structural inertia thus seems to be a helpful-but-insufficient condition for its rapid change, as many other small, young colleges and universities fail to innovate as they did.

A major reason that other young and small colleges do not change is that youth and smallness do not address the constricting pressure of *legitimacy* within the field of higher education. This force typically constrains even the small, young, and seemingly nimble colleges and universities, preventing them from meaningful change.

In short, higher education is heavily influenced by norms that convey what a college is and how it should operate—in other words, what counts as "legitimate." As described by the theory of new institutionalism (DiMaggio & Powell, 1983), these ideals and practices become “institutions” in a society or subculture that then “control human conduct by setting up predefined patterns of conduct” (Berger & Luckmann, 1967, p. 55). These institutions within higher education suggest, for instance, that faculty should closely govern a university’s curriculum (AAUP, n.d.); a college degree should take four years (Selingo, 2016); and higher price equates to greater quality (Townsley, 2014), to name a few. Most colleges and universities intuitively follow these guidelines because they seem imperative to survival, leading them to become isomorphic to each other (DiMaggio & Powell) rather than pursuing unique configurations or strategies.

Faith College was clearly an exception to this rule. Facing the threat of organizational death, the institution’s members did not look to other legitimate organizations for insight on how to survive; they looked at the marketplace instead. Leaders at Faith understood that they could not win the legitimacy game; they were simply outmatched by their competitors and would never catch up fast enough to survive. Believing that the College would go out of business if remarkable change was not achieved, the faculty and administration ignored the norms of legitimacy prescribed by their field and adopted a mentality of “academic capitalism” (Rhoades & Slaughter, 1997). They thus decided to change the game they were competing in, choosing market relevance over traditional ideas of prestige. In so doing, the college adopted a population ecology lens (Hannan & Freeman, 1977) and sought to carve out a unique niche rather than honoring established norms. By seeking this niche rather than jostling for a higher rank among their competitors, the institution broke from the traditional college mold and innovated instead.

This abnormal behavior was made possible by a second set of factors unique to the institution: leadership. Beyond their small size and young age, senior leaders took intentional steps to move Faith toward its ultimate destiny. First, senior administrators developed unusually high levels of *social capital* with the faculty. Due to the decades-long relational investment of the president and the widely-recognized expertise of the provost, faculty members trusted senior leaders to chart a path forward for the institution. Second, these senior leaders cultivated a genuine sense of *urgency* among the faculty and staff. Employees at Faith literally believed the institution would close down soon if they did not innovate dramatically, forcing them to focus on survival over legitimacy. Finally, faculty, staff, and administrators adopted the aforementioned mentality of *academic capitalism* as they built partnerships with local businesses, conducted strategic analyses of their operations, and pursued a unique value proposition. By pursuing a new identity as an affordable Christian college, leaders consciously chose a path that deviated from cultural norms and embraced the marketplace instead.

While Faith's small size and youth lowered the barriers to change within the College, this second set of factors actually created the catalyst for reinvention. Imbued with a palpable urgency and a vision for change, faculty members worked together with administrators to revise the curriculum and revamp the institution's messaging to the outside world. Rather than squabbling over internal political issues, the organization's members united to face the external challenges threatening the school. Contrary to the stereotypical animosity that plagues the relationship between administrators and faculty or the glacial pace of change that colleges are known for, Faith changed relatively rapidly and eagerly. Remarkably, this transformation occurred even as norms of faculty governance and shared decision-making within the field of higher education were challenged. A desire to change permeated much of the organization and enabled it to evolve without being crippled by infighting.

Faith's story is thus highly informative for the many small, non-wealthy, private institutions that face challenges to their survival on a daily basis. Like Faith, hundreds of colleges and universities struggle to differentiate themselves in the marketplace while holding true to their founding missions. However, rather than being unified in their desire to change, these institutions are held captive by internal conflict or apathy that stymies any significant change effort. As a result, they slowly drift toward greater obsolescence and financial fragility as years pass without significant progress. Faith’s story proves instructive for the leaders of these institutions as it shows how one average college overcame apathy to change through transformational leadership and the assistance of a few contextual advantages (size and youth) available to the institution. This dissertation explores the mechanisms and contextual factors that enabled this change to occur, providing leaders of similar organizations with a concrete example of one such successful change narrative.

Research Design

Faith’s story understandably prompted curiosity for me as a researcher. Primarily, I wanted to know: *What aspects of the institution’s leadership, culture, or context enabled it to become affordable and financial viable at such a rapid pace?* This question prompted a deeper dive into Faith’s story as a qualitative case study, one conducted through 16 interviews with different administrators and faculty members. These data were combined with dozens of other resources—committee reports on the financial productivity of each academic program, institutional surveys of faculty and staff attitudes toward change, 92 institutional press releases spanning six years, publicly reported data about the institution’s costs and enrollment, and more—to understand exactly how this process unfolded. This mixed-methods study thus triangulates multiple data sources to answer this complex question of affordability and organizational change, contextualizing it within the larger body of change research in higher education.

Relevance

This study is one of great importance for both practitioners and scholars at this juncture in higher education as it provides a detailed analysis of organizational transformations. In her own book on change within higher education, Kezar (2014a) articulates the need for in-depth examinations of the process. She states “most change agents believe that once they have a vision or idea for change the major work is done, that implementation is nothing but an afterthought,” (p. x). However, as Kezar goes on to say, this assumption is far from the truth. Navigating the path toward change is much more complex than simply developing strategies or goals. Thus, what is needed is a study of “the swamps, deserts, and chasms…on the journey to change” (p. x). This study provides such a roadmap through this territory by explaining the nuances of Faith’s history and setting in great detail.

By understanding the complexity of Faith’s change journey, practitioners and scholars can both be informed as to the nuances of such a significant undertaking. Practitioners attempting to lead their own institutions from within desperately need to understand how change occurs at an institutional level. How does one navigate internal politics, communicate effectively, and generate urgency? Likewise, scholars and policy-makers looking to steer the entire field of higher education need to comprehend the nuances of theory within a specific organizational context. Observing a change process from within the ranks of an institution’s faculty and staff certainly provides valuable insight for these individuals. By analyzing this institution’s successes and failures, this dissertation provides a starting place for change agents looking to clone success within their own spheres.

Faith’s story also presents nuanced theoretical issues that will interest scholars spanning a broad range of academic disciplines. First, Faith’s example challenges Adler and Kwon’s (2002) distinction between strong ties and weak ties within social capital theory by demonstrating how permeable the boundaries are between these two types of constructs (if the boundaries exist at all) and by illustrating exchange and transfer mechanisms not previously covered in social capital theory. Second, Faith’s story lends insight to an aspect of Hannan and Freeman’s (1984) work that is previously unexplored—that of overcoming structural inertia. Third, Faith’s “illegitimate” choices to pursue a nontraditional form of higher education demonstrates the potential futility of new institutionalism (DiMaggio & Powell, 1983) for colleges like Faith, instead showing the utility of a population ecology mentality (Hannan & Freeman, 1977). Finally, this study explores three of Kezar’s (2014a) change paradigms (scientific management, social cognition, and cultural), providing students of change with a detailed depiction of how they interact in one case study.

Conclusion

This dissertation seeks to elucidate the complex process of change and the convoluted issues of college affordability and sustainability by diving deeply into the case study of one institution. In the process, Faith’s narrative is analyzed in light of the most cogent theoretical paradigms available to higher education.

This study begins by describing past research on organizational change and affordability, contextualizing this study within the field of research. Following this literature review is a brief account of the history of Faith College, a chapter that positions this study within the school’s historical context. Three theme chapters follow, describing the *how* and *why* of Faith’s change in detail. Finally, the study concludes with a discussion and set of conclusions that charts the practical implications of this dissertation for practitioners and scholars.

Chapter 2. LITERATURE REVIEW

Prompted by a desire to become both more affordable and financially sustainable, Faith College embarked on a substantive change effort to lower the price of college and to increase the institution's viability in the marketplace. In the process, they faced and overcame a number of challenges that effectively stymie radical change in most other colleges and universities. In order to understand the difficulties they experienced and the ways they dealt with them, these challenges are contextualized within the literature surrounding affordability and change. The theories and past studies included in this chapter shed light on the mechanics of change and affordability within colleges and universities, allowing this case study to be better understood within the context of higher education.

First, the chapter reviews issues surrounding institutional costs and student affordability. These two topics are intertwined yet unique, necessitating a short explanation of both. Second, this chapter unpacks different paradigms of change within higher education. As the change mechanisms described in this study come from different philosophical camps, exploring these frameworks and their unique vantage points is necessary before delving into detailed analysis of Faith's own arc. Third, this chapter examines the two dominant perspectives on the marketplace realities facing higher education—new institutional theory (DiMaggio & Powell, 1983) and population ecology (Hannan & Freeman, 1977). These theories provide insight around the implications of pursuing prestige versus a marketplace niche. Lastly, the chapter concludes with a brief review of change studies in higher education, contextualizing this case study within the broader genre of change literature.

Affordability and Cost

Although the goals of creating an affordable college and a low-cost one seem at first glance to be the same, these aims are not equivalent. From a student's vantage point, a college is affordable if the *price* a student pays is low—i.e. if net tuition is low. Regardless of how it occurs behind the scenes, smaller tuition bills translate to greater affordability to students. From an institutional vantage point however, a college is low-cost if the expenses generated by the institution are low. In other words, the institution is low-cost if the *cost* per student is minimized.

One could easily come to the conclusion that in order for a college to be affordable, it must be low-cost. Likewise, one could assume that all low-cost colleges are affordable. However, these assumptions would be ill-founded, as the two circumstances are far from the same.

These two realities do not directly correlate because price and cost are separate constructs within higher education. In essence, price is what a student pays; cost is what it takes to deliver education. These two units differ simply because colleges and universities rely on subsidies to create variable pricing. Since virtually all postsecondary institutions receive external subsidies in the form of donations, grants, or entitlements, only about a tenth of college students pay what it truly costs to attend their institution (NACUBO, 2015). Because the difference is covered by other sources, institutions often lower their prices for students even though the educational product costs a great deal. Thus, postsecondary institutions are able to make the college experience more affordable than it would be otherwise because external sources offset their costs.

Even institutions that receive little external support (e.g., for-profit universities) will offer scholarships or grants—i.e. discounts—to some students to entice them to enroll (Fain, 2012). When this occurs, an institution inflates its price above its net cost so that it can afford to provide a discount to some students. In essence, the institution keeps its costs the same while varying price, creating the illusion of a lucrative bargain for the discounted student.

While this practice could seem somewhat devious at first, many institutions across the spectrum of higher education use price as an enrollment management tool, leaning heavily on discounts to attract an ever-more-savvy student consumer (Noel-Levitz, 2014). Like most consumers in the marketplace, prospective students are generally much more interested in receiving what they perceive to be a $40,000 product for $25,000 than a $25,000 product for $25,000. In short, colleges use discounts because they are an effective way to entice people to buy things.

For the discounted student, college could thus be perceived as affordable even if the actual cost is very high. If the student receives enough money in the form of grants, scholarships, or loans, she may experience an affordable education. After all, affordability is in the eye of the student, not the institution. The institution may actually be high-cost but choose to allow someone else (donors, governments, or other students) to subsidize her when it lowers its price.

Alternatively, the institution could lower its own costs and pass those savings on to the student directly. Rather than choosing to vary price significantly based on the individual student, the institution could reduce expenses across the board and thus lower its overall costs. If the institution chooses to lower its price tag to align with its new cost, students again receive a more affordable education. An institution that wants to become more affordable for all students thus has two mechanisms for doing so: increasing external subsidies, or decreasing institutional costs.

Increasing Subsidies

Virtually all non-profit institutions steadily pursue the former path by courting new donors or funding sources. Indeed, every college “raises all the money it can [and] spends all it raises” according to the revenue theory of costs (Bowen, 1980, pp. 19-20). However, institutions vary greatly in their success at this strategy. In accordance with the Matthew Effect (Merton, 1968), rich colleges generally get relatively richer while poor institutions generally become relatively poorer. To paraphrase Matthew 13:12, the namesake of the Matthew Effect, colleges that have much will receive even more, and colleges that have little will see it taken away. Research substantiates this point, as the 40 richest private universities in the world currently hold two-thirds of all the endowment wealth and receive 60% of all donations to private higher education (Woodhouse, 2015a). Even though they arguably have “enough” money in their endowments already, these institutions continue to receive the lion’s share of donations despite concerted efforts by poorer schools to access donor funds. Thus, for a variety of reasons, relatively poor or little-known organizations will generally realize limited success from efforts to become incredibly wealthy as new money tends to flow to institutions that are already wealthy or well-known.

Harvard University, for instance, recently received a $400 million dollar gift for its engineering college, adding to the $36 billion the university already has in reserve (Woodhouse, 2015b). This gift and others like it come about for several reasons. Because Harvard has the resources to invest heavily into donor cultivation, it is more likely to receive these large gifts—a fact which in turn creates more resources and larger gifts in future years. Likewise, because Harvard has a head start on other institutions due to its wealth and prestige, donors are more attracted to give to the institution, again creating a positive feedback loop (whereby positive benefits are amplified and perpetuated over time). Lastly, Harvard’s reputation similarly attracts wealthier, savvier students who will leverage the institution’s networks and academic resources to become wealthy graduates, again creating greater capacity for giving. This reinforcing cycle is the Matthew Effect in action.

Since poor institutions face an uphill battle in becoming more wealthy, the second strategy—decreasing institutional costs—is likely the most viable affordability strategy for institutions without a great deal of wealth. If these institutions want to lower the price they charge to students to improve access, decrease student debt, and reduce the financial burdens a college education places on a family, their most feasible alternative is to actually lower the cost of delivering the education itself. Doing so allows the institution to provide an affordable education without continuing further down the risky path of excessive tuition discounting that most private colleges have embarked on (Woodhouse, 2015c). However, this strategy is easier discussed than implemented, as significantly lowering costs requires an institution to counteract the notorious cost disease that plagues higher education.

Cost Disease

As Baumol and Bowen (1966) first outlined in relation to the performing arts, *cost disease* afflicts industries in which technological breakthroughs do not result in productivity increases commensurate with other enterprises. According to the theory, costs go up because employee wages in inefficient industries (such as education, healthcare, or the performing arts) naturally increase to maintain pace with workers in other industries. In other words, even though a given industry is not becoming more productive or efficient, its workers still must get paid more—driving up the cost of producing the same number of outputs within the technologically-stagnant industry.

Higher education is a classic case of such a stagnant industry. Faculty members get paid more today than in decades past even though they teach approximately the same number of students or produce relatively the same amount of research as before. This is not because faculty members are greedy or because postsecondary institutions are frivolous; instead, colleges and universities must increase salaries in order to continue to compete for qualified employees and provide a comfortable living for their faculty members. The same is true for professional staff, custodians, and other college employees. The theory of cost disease emphasizes that this is a macroeconomic effect, not an institution-level one. When wages for assembly line workers or computer programmers increase, eventually the salaries of professors and residence hall directors will creep up as well. Barring a dramatic improvement in productivity, costs at colleges and universities will thus naturally increase with no end in sight as salaries rise and output remains constant.

In their now-famous example, Baumol and Bowen (1966) illustrate cost disease among professional musicians. They point out that a quintet piece written a hundred years ago still requires five people to perform and takes a half hour to do so. These performers earn much more today than their century-old counterparts, yet their productivity has not increased. Thus, the unit cost of production—cost per quintet performance—has risen dramatically, causing the price of attending a musical performance to rise along with it. Like the performing arts, colleges and universities are subject to strong macroeconomic forces that drive up the cost of delivering their education, causing tuition to increase rapidly at most institutions every single year.

Reducing Costs

The only feasible way of "curing" cost disease is significantly changing this productivity ratio, either by increasing outputs (making faculty members more productive) or by decreasing inputs (reducing overhead expenses). The first option requires the average faculty member to teach more students—either by increasing the number of courses they teach, making traditional class sizes much larger, or distributing education to more students through an online delivery format. Many institutions pursue this strategy by encouraging faculty overloads, hosting large lectures, or developing online programs. If the ratio of students to faculty can fundamentally change, so too can delivery costs.

The second strategy for curing cost disease is reducing overhead expenses, a strategy that is generally targeted at the non-academic portions of the institution. Institutions pursue this option when they outsource services to lower-cost providers or share them with consortia and spread the costs among several institutions. Many colleges or universities handle their dining, custodial, study abroad, and bookstore services this way, and increasing numbers are taking this same approach with residence life and facilities management (Samavati, 2010). Alternatively, an institution can reduce its overhead by consolidating positions or eliminating support staff. By reducing the number of people it takes to produce an educational experience, institutions significantly lower the amount of money spent on salaries and benefits. Finally, institutions reduce overhead on the academic side when they use lower-paid adjuncts or other non-tenure-track faculty members in the place of better-paid, tenure-track professors. In contrast to the above strategy, this tactic actually *increases* the number of people involved in education but pays them far less as a whole—thus changing the cost-productivity ratio in favor of lower costs.

Each of these strategies is obviously highly connected to personnel—and in fact, it must be. According to Dickeson (2006), approximately 75% of college costs are personnel-related. Thus, in order to significantly alter the cost of producing a college education, the number and cost of personnel must be addressed; people simply comprise too much of the financial equation to be ignored.

Understandably, cost-cutting strategies are generally far from popular among most employees of colleges and universities. Penn State administrators elicited rancor among faculty and staff members when they rolled out a new plan to reduce exploding healthcare costs across the institution, forcing them to reverse course soon after (Wilson, 2013). Moving to a shared services model was similarly unsuccessful at the University of Michigan as faculty and student protests eventually ground the change to a halt (Rivard, 2013). Even though the above-mentioned examples did not take place within small private institutions, resistance to cost cutting remains a consistent theme across higher education. It is thus no wonder that presidents of small private institutions name faculty resistance to change as one of their top overall frustrations (Council of Independent Colleges, 2012).

Colleges and universities without access to wealth thus face serious challenges in their quests. As they strive to become more affordable for students and families and more viable for future generations, they attempt to both increase external subsidies and lower internal costs. Both strategies are immensely difficult, as one requires cultivating scarce external resources and the other necessitates difficult and unpopular internal change. All of them require overcoming the structural inertia intrinsic to colleges and universities. Any leader or scholar looking to lead such a change should thus possess a firm grasp of the issues they will inevitably face in this effort. Fortunately, the literature surrounding institutional change is well-developed and is instructive for framing such an endeavor.

Theories of Institutional Change

In her book *How Colleges Change*, Kezar (2014a) outlines six different theoretical vantage points from which leaders and scholars can understand change: scientific management, evolution, social cognition, cultural, political, and institutional. These frameworks all describe a unique sort of change that is cultivated by different forces and unfolds in distinct ways. Three of these frameworks—scientific management, social cognition, and cultural change—are particularly relevant to Faith's story of transformation and are explored in depth here.

In essence, these theoretical camps each argue for different mechanisms of change. Scientific management sees change as being driven by leaders who have a logical, detailed plan. Social cognition describes change as the behavior that results from people thinking differently about the world. And finally, cultural theories articulate change in terms of a response to strong norms or values within organizations. Each of these forces is present within Faith's story, and each provides a unique perspective that is instructive for their situation.

Scientific management. Scientific management is perhaps the most traditional kind of change. Spearheaded by strong visionaries, this sort of change is strategic, planned, and calculated. First articulated by Taylor (1911), scientific management adopts a highly rational perspective of organizations. In this view, organizations are combinations of resources, processes, threats, and opportunities. The leader's job within this context is to align resources and processes in such a way as to maximize productivity, eliminate instability, and capitalize on opportunities.

Examples of this paradigm are numerous. Kotter's (2012) eight-step process in *Leading Change* is a noteworthy example. In his model, leaders identify key steps and resources, cultivate support among followers, and steadily move toward success. Contingency theory and transaction cost economics are two other examples in the same theoretical lineage (albeit more "open" to environmental factors than early scientific management perspectives). Contingency theory posits that leaders face unknowns in their environments and attempt to stabilize them by controlling people, technology, and structures (Thompson, 1967). Likewise, transaction cost economics argues that organizations expand or constrict their organizational boundaries to maximize efficiency, adding functions when they can execute them more efficiently internally and outsourcing them when they cannot (Williamson, 1981).

All of these theories emphasize a rational, strategic approach to change that is led primarily by managers. In this scenario, the leader is a scientist who studies the organization and its context, maximizing every aspect of the company for its particular situation. Once the leader has made a data-driven decision to allocate resources and policies most effectively, the plan is communicated to subordinates and effective organizational change occurs. Data, process maps, and assessments are the tools of this leader.

Social cognition. Social cognition theory differs sharply from scientific management theory in several ways. Whereas scientific management sees organizations primarily as systems, processes, and resources, social cognition theories conceptualize organizations as groups of human beings who act in response to their finite understanding of the universe. Organizational behavior is thus less a function of strategy and more so a product of people who are constantly making sense of the world and acting in response to their different interpretations of their environments. Change thus happens when people's perceptions change, and unified organizational change occurs when perceptions are altered to align in the same direction.

Weick's (1993) sensemaking theory is perhaps the most noteworthy example of social cognition theory. Weick posits that people are forced to "make sense" of the world when a situation arises for which there is no established script or routine. Sensemakers are constantly looking for clues in their environment or experiences that can inform their behavior in the new normal. Like Weick's theory, upper echelons theory (Hambrick & Mason, 1984) argues that people understand the world and make decisions in light of their beliefs and values. Hambrick and Mason show that an individual's upbringing and personal priorities color not only what that person sees when he or she looks at a problem, but *where* he or she looks for problems to begin with. In essence, an individual's values and experiences filter every aspect of his or her decision-making process. Both upper echelons and sensemaking theory thus emphasize the highly personal dynamics of organizations and shift the perspective of change from the macro-level of scientific management down to the individual, cognitive level.

The role of a change leader in this kind of transformation is thus much different from a scientific manager. Rather than developing a perfectly efficient strategy for maximizing organizational resources, leaders of social cognition change focus on affecting the ways other people see the world and act in turn. Their approach may still be highly strategic and structured, but it focuses much more on *sensegiving*—shaping the sensemaking of individuals (Gioia & Chittipeddi, 1991)—than it does on aligning resources or optimizing processes. Leaders within this framework do not want to leave individual sensemaking to chance; instead, they want to actively steer people in the direction of their vision. Symbols, peer effects, narratives, and vision statements form the basis of a leader's social cognition toolbox.

Cultural. Closely related to the social cognition perspective on change is the cultural perspective. This perspective posits that change happens as a result of the values, beliefs, and priorities of a given organization or field. Like social cognition perspectives, cultural change occurs because of elements of the corporation that do not appear anywhere on the organizational flow chart. However, whereas social cognition theorists view these factors as primarily individual-level phenomena, cultural theorists place these factors at the organization-level. Cultural and social cognition theories both focus on sensemaking as the mechanism of change, but cultural theories focus much more on how the values and beliefs of an organization affect individuals. In other words, social cognition focuses on *how people make sense of the environment*, whereas cultural theorists emphasize *how the environment shapes individual sensemaking*. In essence, the process is the same, but the focal point of each framework is reversed.

Prominent cultural theories include Schneider's (1987) attraction-selection-attrition model and Etzioni's (1964) depiction of professional and non-professional organizations. Attraction-selection-attrition (ASA) argues that organizations develop strongly homogenous cultures because they attract, select, and retain the same kind of people over a period of time (Schneider). Because of their homogeneity, a self-reinforcing culture is created which shapes organizational behavior, and in turn, attracts likeminded people. In essence, culture is created by the kind of people who compose the organization. Similarly, Etzioni argues that organizational culture and decision-making is shaped by the proportion of "professionals" and "non-professionals" in a given organization—his terms for expert artisans and administrators, respectively. If professionals dominate a company, that organization will focus on developing its craft to the greatest extent and embodying the greater values of the artisans' disciplines. If non-professionals run the show however, the organization will emphasize profitability and efficiency. Like ASA, Etzioni's theory emphasizes the cultural implications that specific kinds of people have on each other.

The role of the leader in cultural change is fairly similar to the social cognition change agent. Both are in tune with the "underlying systems of meaning, assumptions, and values that are often not articulated, but shape institutional operations" (Kezar, 2014a, p. 98). Like the social cognition leader, the cultural leader leverages and interprets culture to amplify the need for and direction of change. In essence, leaders within these cultures are still active sensegivers. In order to be most effective, the leader embodies the culture, gaining legitimacy by aligning closely with the organization's core values. But unlike other leaders, cultural leaders focus more on changing the culture itself with the understanding that the culture will in turn change individuals. This happens through sensegiving, but it also requires changes in organizational factors such as people, processes, and structures. The toolbox for a cultural leader thus contains all of the same elements as a social cognition leader with the addition of cultural interventions.

These three frameworks for understanding change are highly popular within the field of higher education as they provide perspicacious insight into how these organizations function. As this dissertation shows, scientific management, social cognition, and cultural change were all integral parts of Faith's organizational revolution. Understanding the greater context of these theories is thus helpful for understanding their story.

New Institutional Theory and Population Ecology

Likewise, understanding the two dominant theories of the higher education marketplace—new institutional theory (DiMaggio & Powell, 1983) and population ecology (Hannan & Freeman, 1977)—provides rich insight for interpreting organizational decision-making. New institutional theory explains why colleges and universities often end up looking highly similar. In contrast, population ecology explores the motivation for postsecondary institutions to differentiate themselves. These macro-level theories unpack the assumptions about the world that leaders of these institutions carry, informing their rationale for particular strategic choices.

As new institutionalism (DiMaggio & Powell, 1983) explains, three factors drive colleges and universities to look the same. First, educational institutions are often rewarded based on legitimacy, not results. In general, schools that look too different from the norm raise concerns for resource providers. If a college advertised the fact that it had no credentialed teachers, no furnished classrooms, no established curricula, and no grades, many outsiders would question the validity of such a school even if the learning produced by the school exceeded that of mainstream schools. (Such a "college" was founded in 2015 as a self-organized learning environment in Black Mountain, N.C.) For this same reason, colleges and universities often adopt accepted standard practices as their own (such as credit hours, semesters, and grades) to satisfy the expectations of external constituents (such as parents, governments, and accrediting bodies). These practices are adopted not because they are the proven mechanisms for delivering the best results but because they are deemed legitimate by society. Consequently, innovations that are promising but unproven may go untested for fear of backlash from peers or accreditors. If the innovation is too far afield from accepted beliefs about what is legitimate, the experiment will likely be squashed before it can be tested. Meanwhile, the rare innovations that do occur in colleges and universities around the world are largely kept on the fringes of their organizations and exert limited influence on the true core of their institutions (i.e. the curriculum).

Second, educational institutions mimic each other because they do not know what else to do. The outcomes of higher education institutions are varied and unwieldy, encapsulating factors such as 'knowledge contributed to the world' or 'human capital development.' These outputs are difficult to measure, making the mechanism for producing these outcomes equally nebulous. In other words, because it is nearly impossible to accurately measure discrete changes in outcomes such as human capital development, colleges and universities can implement a variety of initiatives aimed at improving this outcome without knowing which are actually effective. This ambiguity about means and ends urges colleges and universities to copy the few institutions that seem to have it all together. After all, if one of the industry leaders adopted a particular policy or program, it *must* be effective—or so the thinking goes. If a nationally-recognized institution starts a new retention program for instance, many institutions will be quick to follow suit even before demonstrable results are produced. When most colleges and universities adopt this practice of mimicry and all follow the same small number of elite institutions, the landscape of higher education again becomes homogenous.

Finally, professional norms also prompt higher education organizations to become similar. Faculty members come from a relatively small number of graduate schools, and these schools tend to shape the values of their graduates in a unified direction. For example, most faculty members will naturally advocate for increased research production and small graduate seminars because they themselves are successful products of such systems. And as these individuals take up residence in colleges all across the country and begin to exert influence, most of their institutions consequently end up pursuing the same sort of strategies and organizational forms as the faculty members' sending institutions. Thus, institutions that want to think outside the box are inherently limited in their ability to do so as their thought leaders are shaped by 'the box' itself.

New institutional theory thus explains why most colleges and universities look very similar to each other. Legitimacy pressures squeeze institutions into a narrowly-defined box of acceptable practices, while high ambiguity and uniform professional norms encourage schools to copy each other. These forces are powerful and pervasive, creating a highly homogeneous field of higher education.

However, while new institutionalism aptly *describes* the forces influencing market behavior for most postsecondary institutions, it does not necessarily *prescribe* the optimal strategy for all colleges and universities. A marketplace built on homogeneity and mimicry inherently favors the institutions in it that are already recognized as the best. After all, the institutions that are deemed the most legitimate form the basis of comparison for all other institutions, meaning their strategies will likely receive greater societal support than those of less-established institutions. Smaller, younger, or poorer institutions thus face a distinct disadvantage in successfully competing for resources in this framework. For these institutions, the alternative is a strategy based on differentiation, not mimicry—a framework that population ecology (Hannan & Freeman, 1977) effectively describes.

Rather than viewing the higher education marketplace as a world where institutions pursue legitimacy, population ecology sees the field as organizations struggling for critical resources. Using biological ecosystems as a framework, Hannan and Freeman (1977) emphasize the important role that resources play in determining what kinds of organizations will survive. A business that cannot attract customers or make a profit is understandably more likely to close than one experiencing high demand and double-digit growth every year. In the population ecology framework, attracting sufficient resources is the basis for survival, not attaining legitimacy.

Hannan and Freeman (1977) see the fundamental difference between surviving and struggling organizations as being their alignment or misalignment with the demands of the environment. If an organization fills an unfilled niche in the ecosystem where its services are needed and resources are consequently plentiful, that institution will significantly outperform an organization without this same access to critical support. Entities that are located in niches where resources are abundant thus face the best chances of survival.

However, competition plays a significant role in determining which organizations get resources. Virtually all resources that organizations pursue are exclusive and scarce, meaning the success of one organization in obtaining a resource corresponds to the failure of one of its competitors in securing that same resource. A given organization could thus occupy a niche with millions of potential customers yet fail to survive because its competition successfully attracted and retained all of those customers. An organization looking for critical resources must then find a niche where resources exist *and* competition is favorable.

Organizations can overcome competition by either beating it or avoiding it altogether. In order to beat it, a given organization must align itself with the needs of the marketplace better than its closest competition. For a convenience store with a competitor's gas station across the street, this translates to offering lower gas prices, cleaner bathrooms, or faster service, for instance. Alternatively, the organization can dodge competition by changing niches—becoming a grocery store or a restaurant chain instead of a convenience store. If this change aligns with an unmet need in the environment (i.e. a niche with high demand and low competition), the organization will gain access to abundant resources—resources that it was not effectively competing for previously.

The theories of new institutionalism and population ecology clearly differ on their fundamental assumptions about the world of higher education. Whereas new institutionalism sees colleges and universities as institutions jockeying for greater legitimacy, population ecology pictures them as organizations vying for scarce resources. While the former places a high value on legitimacy (and consequently, mimicry), the second emphasizes fulfilling market demands (and consequently, differentiation). Clearly, these competing theories offer differing views on what strategies and organization should pursue. And as Chapter 7 shows, population ecology provides a much more solvent strategic perspective for small, non-wealthy colleges and universities than does new institutional theory.

Case Studies of Change in Higher Education

Just as it is important to understand the dominant theories of higher education marketplace behavior to analyze this case study, so too is it valuable to review the case study genre itself. Because this study indebted to decades of organizational change research within the field of higher education, reviewing these past studies is integral for understanding the nuances of Faith’s story. These studies are reviewed in greater depth here with an emphasis on their contributions to the case study genre in general and this dissertation in particular.

This dissertation follows in a long tradition of case studies on change in higher education organizations. These books and journal articles have addressed issues ranging from the adoption of sustainability programs (Kurland, 2011; Lounsbury, 2001), interdisciplinary graduate education (Borrego, Boden, & Newswander, 2011), four-year degree programs (McKinney & Morris, 2010), and pedagogical innovation (Furco & Moely, 2012) to shifts in budgeting (Pfeffer & Salancik, 1974) or pricing behavior (St. John, 1992). Case studies in general are particularly effective for examining change processes such as these because of the nuanced, detailed description they provide of complex processes (Kezar & Eckel, 2002a). Because of their relevance to this study, a few case studies are worth describing in greater detail.

First was Clark’s (1970) *The Distinctive College*—a foundational examination of Antioch, Reed, and Swarthmore that kick-started the in-depth study of liberal arts colleges in the U.S. Like this dissertation, Clark’s accessible narrative explores the nuances of charismatic leadership during times of institutional travail. As Clark states, “in each of the colleges the innovating effort was conceived, enunciated, and put in motion by a strong-willed man in the president’s chair” (p. 8). Faith’s story would prove to be no different. Eerily enough, the Swarthmore saga that he illustrates actually foreshadows Faith’s situation perfectly: a former trustee with a charismatic personality becomes a senior leader and leads sweeping changes. Thus in a multitude of ways, Clark's book provides a strong foundation for this dissertation and a historical context for understanding its themes.

Equally as formative, Breneman's (1994) book *Liberal Arts Colleges* carries Clark's (1970) foundational work in a different direction by turning the emphasis toward the financial aspects of these small private colleges. In this book, Breneman explores both the strengths and challenges facing these institutions from an economic perspective and raises many issues that scholars would explore for years to come, including the near-extinction of the traditional liberal arts college model. Breneman's book further established research on liberal arts colleges as a noteworthy area of study and elevated the national conversation around their place within higher education. His book further increased awareness within the field around the issues that this dissertation addresses.

Next, Kezar and Eckel's (2002b) analysis of six institutions is noteworthy both for its breadth and synthesis of multiple teleological perspectives. By studying a handful of institutions over the course of four years, Kezar and Eckel demonstrated the various ways in which change can occur within higher education. At the same time, they showed that every kind of change has sensemaking at its core—an insight that this dissertation is indebted to.

Keller's (2004) book *Transforming a College* dove more deeply into the case of one small institution as he tells the story of Elon College. Through his detailed storytelling, Keller brings life to the institution and its key characters. Like his book, this dissertation chronicles a leader-driven narrative of change that heavily relies on scientific managers at the helm. Keller's insights into "the importance of people, financial acumen, and marketing" likewise reinforce the takeaways of this dissertation (Renn & Edwards, 2005, p. 637).

More recently, Christensen and Eyring's (2011) *The Innovative University* chronicle the histories of Harvard University and BYU-Idaho as both evolved into the organizations they are today. Christensen and Eyring's work is exceptional, both for its accessibility for practitioners in the education field and its concrete extrapolation of Christensen's theory of disruptive innovation. *The Innovative University* thus serves as a template for the tone this study aims to embody and audience it seeks to serve.

Following in the single-case study tradition of Keller, Bonvillian and Murphy (2013) captured the history of Keuka College as it attempted to adapt to challenges in its environment while still holding true to the small-school values that make it unique. Following in the pattern of their book, this dissertation also explores the history of a similarly small school and chronicles an environment-driven change not unlike what Keuka experienced. Like Keuka's story, Faith also experienced a shift in the roles that administrators and faculty played in institutional decision-making. Their work thus sensitizes this dissertation to some of the key questions and issues that a change study should address.

Finally, Baker and Baldwin (2014) examined the evolution of three liberal arts colleges, asking how and why they change their missions and strategies in response to their environments and institutional leadership. Like Christensen and Eyring (2011), they adopted an evolutionary perspective to explain the trajectory of each institution. Baker and Baldwin's inquiry sheds light on the thought processes behind institutional decision-making within the context of small private institutions. Their study lends further credence to the market pressures that colleges like Faith face, informing the context of this study.

While each of these studies contributes something unique to the body of change literature, each one also explores the intersection of an institution's people, culture, and environment in the context of organizational change. By studying these relationships at various levels and from differing philosophical vantage points, these case studies each provide a nuanced foray into the complex arena of organizational change.

My dissertation fits squarely amongst these studies. By delving deeply into a single case and studying how one college adapted to its environment, I follow in the tradition of Keller (2004) and Bonvillian and Murphy (2013). By synthesizing multiple theoretical views on change into a single study, I take up the charge of Kezar and Eckel (2002b) to use a variety of lenses to understand change narratives. And by examining the issues common to most small private institutions, I further advance the work begun by Clark (1970), Breneman (1994), Baker and Baldwin (2014), and others.

This study also covers new ground by integrating issues of institutional cost and student affordability into a study of change. These are issues that are touched upon briefly in the work of St. John (1992) and Christensen and Eyring (2011), but this dissertation places these issues at the center. As such, it intends to provide direction to practitioners and scholars seeking to lead change within the field of higher education to create a more affordable kind of education.

Conclusion

As this chapter has demonstrated, becoming an affordable college or university is an ambitious endeavor. Embedded in an industry plagued by cost disease, institutions pursuing affordability must find greater levels of external funding or creative ways to lower internal costs—both of which are steep challenges. For small private colleges without a great deal of wealth, developing substantive levels of external funding is a significant challenge. As a result, these institutions must turn to cost reduction as a means whereby affordability and sustainability can be attained. However, even this goal is difficult at best—especially considering the strong normative pressures described so well by new institutional theory.

Fortunately, the literature on change is well-developed, providing three particular theoretical lenses through which this particular case study can be viewed. That context, when combined with the rich ancestry of organizational change case studies in the field of higher education, create a strong foundation from which to examine a change effort.

As this case study shows, Faith College was able to successfully move toward greater affordability and viability despite facing many of the same challenges as other small private institutions. Their story can be best understood in light of the scientific management, social cognition, and cultural theories of change that Kezar (2014a) describes and the population ecology framework that Hannan and Freeman (1977) provide. By building off of the work of these theoretical frameworks as well as decades of case studies on change, this dissertation seeks to lend insight for leaders hoping to create the same sort of radical change as Faith. As the next chapter explains, this study has been developed as an in-depth qualitative case study—a research design that is highly appropriate for the questions this study asks.

Chapter 3. METHODS

All of the literature examined thus far suggests that small, private institutions without a great deal of wealth will face significant difficulty in their efforts to innovate to become more viable and affordable. Thus, if one of these institutions has met these challenges successfully, their story is informative for the remainder of the population.

Noting the formidable institutional, economic, and political barriers to change, examining in detail an institution that has actual undergone change successfully can illuminate the realities of the process for similar schools. In contrast to broad-sweeping quantitative analyses that aim for maximum generalizability, a qualitative examination of this context in great depth provides tangible evidence of what works, and why. In the words of Erickson (1986), "The search is not for *abstract universals* arrived at by statistical generalization from a sample to a population, but for *concrete universals*, arrived at by studying a specific case in great detail and then comparing it with other cases studied in equally great detail" (p. 130). This research provides one such set of concrete universals which scholars and leaders can use to better understand their own fields and organizations.

This study thus dives deeply into a single case study to explore one research question: *What aspects of the institution's leadership, culture, or context enabled it to become affordable and financial viable at such a rapid pace?* Answering this question successfully necessitates a rich understanding of institutional change processes. According to Kezar and Eckel (2002a), research of this type is surprisingly lacking in higher education. This study continues to fill that void.

Qualitative research is particularly well-suited for these types of questions as it enables researchers to consider "the local meanings that happenings have for the people involved in them" rather than inferring this meaning from the outside-in (Erickson, 1986, p. 121). In other words, rather than assuming that all of an institution's members are supportive of its initiatives, qualitative research examines nuanced factors like these directly. Because "complex social and organizational phenomena like change typically involve various organizational subsystems including human relations, organizational structures, politics, and resources" (Kezar, 2012, p. 209), a methodology that allows the researcher to dive deeply into these nuances is most appropriate for this sort of research.

Case Studies in Higher Education

Within the realm of qualitative research, case studies are recognized as a valuable methodology for understanding the nuances of "individual, group, organizational, social, political, and related phenomena" (Yin, 2014, p. 4). Studying organizational or managerial processes such as these fits squarely within the strengths of the case study approach, as the methodology allows one to bring together fields such as psychology, sociology, anthropology, business, or education to answer a complex question. Yin articulates that case study methodologies are particularly relevant when three conditions are true: 1.) the main research questions are 'how' or 'why' questions, 2.) the researcher has little or no control over behavioral events, and 3.) the focus of study is a contemporary (as opposed to entirely historical) phenomenon (p. 2). These three conditions are met within this study. Examining an autonomous institution that has recently innovated meets the latter two criteria, and exploring the questions of how and why this institution made decisions the way it did certainly aligns with the former condition.

Case Selection

Any research design has its inherent strengths and limitations, and this study is no exception. While examining a range of institutions could provide more data from which to generalize, this qualitative study seeks to provide the richest possible description of contextualized change processes. Doing so required maximizing the depth rather than breadth of study, forcing me to restrict the number of cases I undertook. For this reason, I chose to follow the lead of other successful works in the fields of higher education (Blaschke, Frost, & Hattke, 2014; Bonvillian & Murphy, 2013; Harris & Hartley, 2011; Keller, 2004; Kiyama, Lee, & Rhoades, 2012) and business (Gouldner, 1954; Sutton & Hargadon, 1996) by examining a single organizational case.

Narrowing the sample down to this degree is intrinsically risky. As Siggelkow (2007) wryly states, successful research based on a single case must feature a “talking pig”—an example so interesting and exceptional that it warrants the detailed description and sole focus it receives (p. 20). Otherwise, months of work produces only a single story of a moderately interesting institution from which little applicable insight can be gleaned. For this reason, selecting an appropriate case was of great importance.

My first priority was selecting an institution that had changed to become dramatically more affordable. I tried to identify this case based on historic affordability trends available through the Integrated Postsecondary Educational Data Services (IPEDS) database. Within the population of private, American, four-year, small (total enrollments between 500 and 5,000 students) institutions, I searched for a private institution that had been moderately affordable but had since changed direction and lowered costs to students substantially.

Unfortunately, the data required for this analysis proved to be highly unreliable. Institutions reported net cost data inconsistently across years, making true affordability values impossible to discern. Additionally, my search for qualifying institutions based only on the cost-per-year metric eliminated the consideration of innovations such as three-year degree programs which chiefly reduce costs to students by shortening the amount of time a student is enrolled rather than the price he or she pays in any given year. In essence, the quantitative data available to me were insufficient on their own to reliably identify a compelling case.

Thus, for all of these reasons, this case was selected based on brief interviews with experts in the field—the former provost of a private university, the executive director of a national enrollment management organization for Christian colleges, and the director of a higher education graduate program at a private university. These three sources all suggested a handful of innovative institutions to consider. One institution in particular overlapped among all three groups, and Faith College was that institution.

Faith is a small (less than 3,000 students), private, non-wealthy (less than $50 million in its endowment), Christian institution located in the Midwest. Its website was replete with stories about the institution's innovations such as three-year degrees, free book rentals, tuition that decreases throughout a student's four years, and non-traditional programs. This change process began approximately nine years ago, a perfect time frame for both reflecting on the transformation as well as observing its delayed effects. All of these signs suggested that this "unusual" case (Yin, 2014, p. 52) was a fruitful one for further examination.

In order to further verify the fit of this institution for the study at hand, I conducted lead interviews with members of the institution. Following approval (and ultimately, exemption) from Penn State's Institutional Review Board (IRB), I spoke with three mid-level administrators at the institution. I also interviewed the president following these three conversations. Each of these individuals indicated that the institution decided to take drastic steps to distinguish itself in the marketplace following budget shortfalls and low student enrollment. Facing the possibility of institutional death, senior leaders rallied the faculty and staff and took the institution in a new direction. Among many other things, the fact that the institution transitioned its fifty degree programs into three-year options within a year and a half made this college one of great interest for organizational theorists.

Originally, this case study began as a search for an innovative and affordable institution—and indeed, Faith has become more affordable. However, the further I got into this institution, the more I felt that this story of institutional change and adaptation was just as interesting as the shrewd affordability tactics the College employed. This research was thus repositioned as a study of organizational change *and* affordability rather than a simple study of cost reduction. Considering nearly 70% of organizational change efforts fail (Burnes & Jackson, 2011) and the changes Faith endured were of significant magnitude, this case study became one of organizational adaptation and affordability.

Data Collection

This research attempts to recreate a full-fledged picture of the organization and its change process by synthesizing multiple types of qualitative and quantitative data. Institutional documents such as mission statements, press releases, campus surveys, and self-studies provided the backbone for establishing the timeline and specific strategies chosen. These sorts of extant documents lent valuable insight into the organization’s thought process during this time of change (Charmaz, 2014).

Semi-structured interviews with employees (faculty, staff, and administrators) provided much of the nuanced understanding of these events as well as general insight about the culture and history of the organization. Additionally, ethnographic observations of the campus and key meetings allowed me to see the institution's culture in action. Both of these data sources enabled me to understand the behind-the-scenes perspective of individual constituents that may not have been reflected in official documents. These sources were pursued through "prolonged engagement" and "persistent observation" to create the "thick" description that is so valuable in ethnographic research (Lincoln & Guba, 1985, p. 328).

Finally, integrating quantitative data on the institution from sources such as IPEDS provided some important context for the institution. These data were particularly effective for elucidating institutional factors such as cost/revenue structures, student demographics, and employee composition. Using these data as a supplement to the qualitative data rather than a driver of the narrative minimized many of the previously-mentioned limitations of the data set, especially when these records were compared to the institution's own. Triangulating each of these quantitative and qualitative data sources added additional power to the analysis as "mixed methods research can permit researchers to address more complicated research questions and collect a richer and stronger array of evidence than can be accomplished by any single method alone" (Yin, 2014, pp. 65-66).

Because of the nature of the data and my distance from the institution, data were collected in various ways. Interviews were conducted over the phone, video chat, or in person over the course of five months. Ethnographic observations of the institution's setting occurred in person. Using digital recorders, notes, photographs, and videos to collect these data ensured that this information represented the institution in the fullest form possible. These digital data were stored on a password-protected computer, and handwritten notes were also kept in a secure location.

Interview questions were loosely structured to allow for the greatest flexibility in exploring how the change process unfolded from each participant's perspective (see Appendix A for sample interview protocol). These questions evolved over time as new information was revealed throughout the data collection process and new topics emerged for study. For this reason, the study's orienting question was intentionally broad to allow for later adaptation.

Recruitment Methods

Because this research required an exceptional degree of access to an institution and its personnel, I relied heavily on personal networks to gain entry to the organization. Two of the experts who I interviewed to select Faith also provided personal connections for me there. A third contact was made through a mutual friend. For each participant, I identified myself as a student researcher from Penn State who was seeking to understand how the institution had changed so dramatically. Using a combination of snowball sampling (Patton, 2002) and targeted outreach, I first established trust through interviews, then moved on to site visits and requests for internal documents (see Table 2 for a list of all data sources).

The majority of recruitment occurred through email (see Appendix B for sample recruitment letter) with some contact being made via phone. In order to achieve theoretical sampling (Charmaz, 2014), I looked for variety in gender, age, rank, and status within my participants. Participants in this study came from the ranks of faculty, staff, and administration and varied greatly in their tenure at Faith. In an attempt to avoid the sample selection bias created by only interviewing people who stayed at Faith throughout the changes (Berk, 2007), I also interviewed two faculty members who were terminated and one who left during the transition in order to compare their perspective to that of the employees who were retained. Additionally, I pursued disconfirming sources as I neared the end of my study as a means of testing my findings.

Table 1. Summary table of data collected

Interviews

Data type	**Description**	**No.**	**Unit**
Interview	Current President	1:18	hrs/min
Interview	Past President	1:30	hrs/min
Interview	ADM-1	1:00	hrs/min
Interview	ADM-2	1:25	hrs/min
Interview	ADM-3	1:37	hrs/min
Interview	ADM-4	1:10	hrs/min
Interview	ADM-5	1:00	hrs/min
Interview	VP-1	1:24	hrs/min
Interview	VP-2	0:59	hrs/min
Interview	FAC-1	1:06	hrs/min
Interview	FAC-2	1:10	hrs/min
Interview	FAC-3	1:04	hrs/min
Interview	FAC-4	0:40	hrs/min
Interview	FAC-5	0:48	hrs/min
Interview	FAC-6	0:44	hrs/min
Interview	FAC-7	1:03	hrs/min

Observations

Data type	**Description**	**No.**	**Unit**
Observation notes	Observations of the campus and surrounding neighborhood	3	pages
Observation notes	Observations of the campus & downtown area	1	pages
Photographs	Pictures of campus	29	pictures

Institutional documents

Data type	**Description**	**No.**	**Unit**
Survey	Faculty & staff satisfaction survey (quantitative)	5	pages
Survey	Faculty & staff satisfaction survey (qualitative)	28	pages
Survey	Faculty satisfaction survey	12	pages
Survey	Support staff satisfaction survey	9	pages
Survey	Collaborative change survey	19	pages
Report	Ad Hoc Committee Report	85	pages
Press releases	All relevant press releases from the school's website	94	releases
Presentations	Committee presentations on change recommendations	64	slides
HR records	Faculty/staff departure data, 2008-2014	2	pages

Table 2 continued on next page…

Table 2, continued

Institutional documents, continued			
Data type	**Description**	**No.**	**Unit**
Handbook	The institution's 2007-08 faculty handbook	35	pages
Handbook	The institution's 2014-15 faculty handbook	99	pages
Catalog	The institution's 2014-15 academic catalog	484	pages
Data set	Employee separation data, 2007-14	1	pages
Data set	Average net cost data, 2007-14	1	pages
Quasi-external data			
Data type	**Description**	**No.**	**Unit**
Book	*Becoming Faith*	247	pages
Dissertation	*From Crisis to Stability- A Case Study of Presidential Leadership*	184	pages
Federal data	Enrollment & Financial Data (IPEDS)	1	table
Video	News story about the institution's most recent initiatives	0:02	hrs/min

These perspectives largely confirmed my findings even as they added nuance and contradiction to the picture.

Noting the risks of relying on a single case for such a substantial research project, I periodically assessed this decision throughout the data collection and analysis process and was ready to pursue another institution if necessary. The criteria I used to determine this decision were the richness of the data available at this site, the uniqueness of the institution’s outcomes, and the compelling nature of the narrative produced. The decision to stick with one case was made upon consultation with members of the dissertation committee.

In order to protect the identities of the respondents and gain the most candid comments possible, I also made accommodations for their confidentiality. All participants were told that their identities would be held confidentially; most simply asked that I used discretion when quoting them verbatim. Thus, participants in this study were assigned pseudonyms to protect their identities: FAC for faculty members, ADM for staff/administrators/deans, and VP for vice presidents. Additionally, the president requested that the institution's identity be obscured as well. Thus, I utilized pseudonyms for the institution, denomination, local city, state, and current and former president. Some references were also edited to protect the identity of the institution.

Data Analysis

Since the theoretical explanations of college costs and organizational change are well developed (e.g., cost disease, scientific management), data were analyzed in light of each of the frameworks described up to this point. This foundation expedited the coding process by identifying the salient aspects of the organization that should be attended to. However, themes and codes were not limited to these ideas; emergent coding was also used as well. Analysis occurred in an iterative fashion as data were progressively collected, and data collection continued until theoretical saturation was reached. Memo writing (Glesne, 2011) was used throughout this process to organize my ideas as they developed. Finally, the bulk of this analysis occurred with the assistance of NVivo.

One further means of validating the data came through member checking results with participants. Throughout the process—and particularly toward the end—I considered participants to be co-researchers and asked for their feedback on the themes I saw emerging. These conversations provided valuable validation and nuance as I analyzed data. Furthermore, key leaders were sent a late draft of this document and had the chance to clarify and challenge assertions made herein. Their review ultimately produced additional data that greatly improved the accuracy and nuance of this study.

Trustworthiness

Because case studies lack the generally accepted standards of statistical significance that most quantitative work relies on, identifying and articulating a threshold of relevance for findings is particularly important (Yin, 2014). In other words, how will fellow researchers reviewing this work be able to trust the validity of the study's conclusions? More importantly, how did I as the primary researcher distinguish important findings from interesting noise?

This case study was designed with these questions in mind and according to the recommendations set out by Yin (2014). Triangulating multiple sources of evidence and establishing chains between them enforced the credibility of my study (Lincoln & Guba, 1985). Working from a theoretical foundation also promoted the external validity of this case, and seeking out rival explanations for my findings ensured that my analysis was appropriately thorough and grounded in data. Finally, organizing and documenting all the data thoroughly maintained the reliability of the study. Each of these tactics contributed toward the dependability of the study. (Creswell, 2013)

Positionality

While all of the above precautions were helpful in ensuring the objectivity of my study's findings, my own biases certainly entered the equation in spite of the steps I took (Glesne, 2011). As a researcher and practitioner dedicated to finding sustainable financial solutions for small Christian colleges, I entered this project looking for practices or values within this organization that could be transferred to other contexts to make an appreciable difference in their affordability and cost structure. Essentially, I am a proponent of change for affordability's sake.

As a past employee under a change regime, I was also sensitive to the strain that significant organizational redirection places on employees. Thus, even though I recognized this school as an exemplar in some ways, I fully anticipated finding signs of strain or demoralization among some employees. As expected, these strains soon became apparent.

As a future (potential) senior leader of one of these organizations, I was also particularly interested in how Faith's senior leaders played a role (or did not) in this change. I firmly believe in the criticality of leadership, and I personally wanted to understand how human agency influenced this situation. This emphasis on leadership drew me toward less deterministic explanations of Faith's story—a tendency I attempted to overcome through continued engagement with the data and a stringent look at the institutions' context. However, even after taking these strides, I remained surprised at how influential Faith's leaders were in the institution's change narrative. In essence, I expected a strongly democratic process and instead found a traditional story of charismatic leadership.

My positionality also influenced my theoretical perspective on this study. In describing the different kinds of theoretical frameworks of change research, Kezar (2012) identifies two broad categories of change: functional and interpretive. This study aligns with both. According to Kezar, *functionalists* exhibit a top-down focus in their research, emphasizing factors such as strategic planning and senior leadership. In contrast, *interpretivists* look much more at how individuals within the organization perceive change in light of personal and institutional factors. This study sits squarely between the two, asserting that measurable change has occurred in this case as a result of senior leadership, but the way in which this process unfolded is driven by individual sensemaking. In this way, I follow in the tradition of Trowler (1998) and others who have examined both strategic change and institutional culture in a single study. Balancing both perspectives ideally blends together the strengths of each approach while compensating for each framework's inherent limitations.

Conclusion

In conclusion, approaching this case study with a great degree of care and intentionality ensured that I presented the most accurate and meaningful findings possible. By examining this complex case from a qualitative standpoint, I was able to gain the greatest insight into the nuanced realities that these individuals experienced over the last several years. By triangulating data, verifying findings with outside observers, and pursuing disconfirming sources, I guarded against an overly simple or rosy depiction of the institution's reality. Finally, evaluating all of my findings in light of theory and prior work lent further legitimacy to my conclusions. For all these reasons, I can confidently stand behind this work as a credible research project.

The following chapters demonstrate this thorough scholarly work. Chapter Four details the history of Faith College, contextualizing the dramatic changes of the late 2000s within the greater arc of the institution's story. Chapters Five, Six, and Seven develop the three themes that explain Faith's dramatic reinvention: social capital between administrators and faculty, a high level of urgency, and a mentality of academic capitalism. Both social capital and urgency describe *how* Faith was able to change, while academic capitalism best captures *what* the institution did to reinvent itself. Finally, Chapter Eight concludes the dissertation with a discussion of implications for practitioners and scholars as well as the study's overall conclusions.

Chapter 4. HISTORY

Faith College has seen much change in its brief history. What began as a small seminary in an evangelical mecca is now an innovative institution located in a biomedical Silicon Valley—a dramatic evolution, to be sure. What was once a simple institution serving denominational affiliates is now a uniquely affordable college that is beginning to attract national attention (Alexander, 2010; Jacobs, 2015)—a future that few could have seen coming even a decade ago. In order to better understand how and why this change occurred, this chapter situates Faith's dramatic revolution within its history and local context.

The town that would one day be the home of Faith College began as Spring Fountain Park in 1888. Just seven years later, Spring Fountain Park was renamed Yost Lake after it was purchased by a Presbyterian group who intended to use it as a Christian conference center and vacation destination (White, 2015). By the early 1900s, that dream had come to fruition. The famed evangelist Billy Sunday relocated his headquarters there in 1911, making Yost Lake the center of the evangelical Bible conference movement (Burkholder & Norris, 2015). Activity in the area was booming and Christian fervor was high, making the town the perfect place to host a seminary.

In 1939, the Faith Brethren fulfilled a local dream by relocating the two-year-old Faith Seminary from Akron, Ohio, to Yost Lake at the invitation of the Yost Lake Bible Conference (Faith College and Seminary, 2016a). By 1948, the institution expanded to include an undergraduate college that offered four two-year majors: English, History, Greek, and Bible (Burkholder & Norris, 2015). Soon, the institution would have the trappings of any other small college, starting a campus newspaper in 1953 and varsity athletic programs in 1955. The limited undergraduate offerings even transformed into a liberal arts program by 1954, offering 13 four-year majors that ranged from Archaeology to Physical Education (Burkholder & Norris).

However, just as Faith was coming into its own, the luster of Yost Lake was beginning to fade. The summer activities that put Yost Lake on the map were a microcosm of the larger "Chautauqua" movement—conferences that featured education, entertainment, and recreation for adults and families. These assemblies peaked in popularity in the first decade of the 20th century but lost their appeal as radio and automobiles provided alternative means of entertainment. However, as the Chautauqua movement was dying in Yost Lake, the Bible conference movement filled this void with fervor. Lectures from notable public figures such as Benjamin Harrison and Helen Keller gave way to sermons from evangelists Billy Sunday, Bob Jones, and William Jennings Bryan. Anticipating a resurgence in annual attendance, Billy Sunday constructed a 7,500-seat tabernacle in the town—the largest venue of its kind in the area—to handle the expected crowds. However, despite the energy invested in the "Christian Chautauqua," the town would never return to "the golden years" of 250,000 annual summer visitors that they saw during their peak. By the time Faith Seminary had arrived in 1939, the town had unfortunately seen many of its best days already. (White, 2015)

As a result, Yost Lake was left with a large infrastructure to service and a vastly diminished flow of tourists to fund it. The once-magnificent Billy Sunday Tabernacle and other conference facilities soon became an eyesore as they fell into disuse and disrepair. Faith took possession of the local conference properties (and nearly $700,000 in debt) in 1968, converting some to residence halls and classrooms to serve the needs of the growing College and Seminary population (Norris, 2015). The remainder was utilized for continued annual Bible conferences and denominational meetings in an effort to maintain the town's viability. But despite Faith's best efforts to preserve the glory of Yost Lake, tourism continued to dwindle (Burkholder & Norris, 2015). The summer Bible conferences slowly shrank in length to four weeks, then three, before discontinuing altogether in 1988 (Norris). As the glorious past of the town faded into obsolescence, the town also began to wear at the fringes.

In spite of the local area's deterioration, enrollment at Faith grew steadily over the next few decades (Faith College & Seminary, 2016a). In 1974, the seminary founded a graduate degree program in Christian School Administration that made Faith "a hub for the growing Christian School movement" (Burkholder & Norris, 2015, p. 6). A few years later, the Higher Learning Commission would grant both the college (1976) and the seminary (1982) accreditation. All these positive achievements enabled the College and Seminary to post a then-record combined enrollment of 1,333 students in 1981 (Burkholder, 2015). Positive signs were plentiful as Faith entered the 1980s.

As the college and seminary expanded its faculty to handle the growing numbers however, the ideological diversity that came with these new hires exacerbated theological tensions that had been bubbling beneath the surface at the Seminary. For the first time since its inception, the institution was beginning to genuinely wrestle over its position within the broader evangelical world. Prompted by the activities of two popular-but-controversial faculty members, the institution began to question whether it should continue in its strongly Brethren tradition or accommodate a broader range of conservative worldviews in its teaching. This question would not easily be answered, and the conflict that it created would ultimately result in the dismissal of the two faculty members at the center of the controversy in 1989 and 1990 (Hill, 2015).

The resultant discord rocked the institution. Both the internal conflict and negative publicity generated by these and other connected program decisions caused enrollment to drop immediately. Coming from a high of 427 students in 1983, the seminary almost closed after enrollment quickly plummeted to one fourth of its peak size (Burkholder, 2015; VP-1). Due to its historic significance, the seminary was kept open with the hope that it would eventually recover (Hill, 2015). However, it would be years before it was even close to its peak again.

At the same time that Faith's seminary was imploding, the deterioration of the Yost Lake community was beginning to affect the institution in significant ways. Because of its unique configuration as a Christian conference center and college town, over half of the town's property was owned by tax-exempt non-profits (Norris, 2015). Coupled with the lack of tourist activity, the tax revenue limitations prevented the local government from maintaining the "dilapidated" town, leaving it to slowly morph into a "slum" (ADM-4). The once-iconic Billy Sunday Tabernacle was finally torn down in 1992 (Burkholder & Norris, 2015), but the "embarrassing" downtown area continued to make student and faculty recruitment difficult (ADM-4).

This decline occurred even as the neighboring town of Mobberly experienced rapid industrial growth. Billions of dollars were flowing in and out of Mobberly, "the Orthopedic Capital of the World" (OrthoWorx, n.d.), yet little of that economic boom transferred to nearby Yost Lake. The disparity between the two communities was significant, and Faith was doing very little to bridge the gap.

In keeping with its denominational ties, Faith, like many other church-related colleges, had remained largely isolated from the surrounding community since its founding. From its first inception in Europe in the 1600s, Pietists (of which the Fellowship of Faith Brethren is a subsidiary) were known for their separation from the outside world. The very movement was founded because of dissatisfaction with what its members perceived to be an empty, scholastic faith in much of the established church (Burkholder, 2015). Pietism emerged as an answer to that shortcoming, encouraging its followers to embrace Christianity wholeheartedly through prayer, worship, and Bible study (Burkholder). Many of its early proponents encouraged church members to separate themselves from their liberal counterparts and move to more rural settings to better connect with God (Burkholder). Thus, it comes as no surprise that for many of its early days, “this little church school on the hill” (ADM-4) engaged the town only for evangelistic purposes. An alumnus of Faith describes the town-gown relationship:

> ADM-4: If you were from Mobberly 30 years ago, and you saw someone coming down the street with white socks and dark pants, you’d say, ‘Oh no, there’s one of those seminary students, and he’s gonna hand me a track and witness to me.’ It was almost that relationship….And, for good or bad, that’s how the community saw Faith. A bunch of Bible people, they have a terrible basketball team, they don’t even have a track. So it was an oil-and-water thing when I went to school here. It wasn’t wise to wear your Faith letter jacket downtown. It just wasn’t.

Because of the strong religious fervor and its separatist inclinations, Faith’s relationships with the community were strained at worst and nonexistent at best for much of the institution’s history.

While this tense relationship with the Mobberly/Yost Lake community was unfortunate, it had not adversely affected Faith for some time. As the only institution for its particular denomination, it regularly received steady streams of students from Brethren pockets in Pennsylvania and Virginia as well as conservative congregations elsewhere (Burkholder, 2015b). However, increased competition in those areas had begun to affect Faith by the 1990s (ADM-4), making local support a much more critical resource for Faith’s success. These factors were compounded by the recent enrollment declines within the Seminary, placing Faith in a precarious position. As an institution that lacked strong community support, national name recognition, wealthy donors, and an attractive local area, significant student enrollment losses were a frightening occurrence to say the least.

It was in this context that Ronald Everly was appointed president in 1994 (Hill, 2015). Everly was an insider, having served at Faith since 1977 as a faculty member, academic dean, and provost (Faith College & Seminary, 2013). Everly's priorities were twofold: restoring Faith to a stable position, and decreasing the divide between the institution and the community. As a "slow, methodical, strategic, relational [sic] builder" (ADM-2), he slowly began building bridges within and beyond the institution. Recognizing the criticality of the orthopedic companies to the local economy, Everly began cultivating relationships with the leaders of the five major organizations in the area. Using funding from the Lilly Endowment, Everly and others created an organization called OrthoWorx. Its stated mission was clear: "ensuring The Orthopedic Capital of the World remains right here in the Mobberly area" (Orthoworx, n.d.). OrthoWorx pursued that mission through educational partnerships, research collaborations, and community partnerships aimed at improving the quality of life in the Mobberly region. Recognizing that downtown Yost Lake was an eyesore, OrthoWorx and other leaders of the orthopedic companies began investing heavily in improving the physical and economic conditions of that area.

As the Seminary continued its slow climb from the brink of closure and community relations strengthened, Faith's outlook also brightened. Attracting students became somewhat easier as the town improved, and a slow growth in enrollment brought the financial resources the institution needed to survive. Under Everly's leadership, institutional enrollment had grown from 766 students in 1995 to nearly 1,300 students by 2005 (Gill, 2012). This growth was aided in part by the blossoming prison education program that had begun in 1989 and the addition of a distance education program in 1996 (Burkholder & Norris, 2015). Glimmers of hope, such as the collaborative funding of a multi-purpose gymnasium and conference center on Faith's campus, were beginning to appear. Faculty members were still underpaid and resources were not plentiful, but it seemed that the institution had avoided shutting its doors for the time being. Soon however, issues hiding beneath the surface would be revealed.

In the summer of 2007, Everly brought in a new provost. Dr. Bill Jameson came to Faith with a wealth of inside information on the school, having graduated from the institution in 1974, worked there until 1983, and served on the Board since 2005. In addition, his administrative roles over the past 40 years at four different colleges and universities gave him a breadth of experiences that made him at outlier at Faith. All the former presidents had been theologians rather than trained administrators (FAC-4), making Jameson's experience on the senior leadership team unique in its perspective.

One of Jameson's first assigned tasks was to revisit a recently conducted program review. In accordance with its strategic plan, the institution brought in a consultant to assess the institution in 2006. The consulting report revealed a dangerously high number of low-enrollment classes and called for a complete self-study to review the institution's academic programs. The self-study generated by the resultant academic committee was very brief—in essence, stating that most programs were under-resourced and should be properly funded before any changes were considered (JAMESON). Both the program review and the consulting report were waiting to be addressed when Jameson arrived.

Within a few months on the job, Jameson realized that Faith's budget already faced a $1 million deficit for the current fiscal year due to a financial management error within the institution. The senior business officer was not talking with the chief enrollment officer and did not account for the aid (discounting) that was being awarded for the year. It seemed as if the business officer was budgeting based on a fixed amount of aid for the year, rather than based on a percentage discount. The result was a surprising shortfall in that fiscal year's operations.

The new provost responded quickly, commissioning a new program review through a group that became known as the Ad Hoc Committee. This group was tasked with determining whether programs were thriving, needed increased financial support, or should be considered for termination. The review relied on a decision matrix that Jameson had used in his previous role as provost of another university. This matrix broke programs down by cost per credit hour and other basic financial metrics. At the helm of this committee was the institution's librarian—a faculty member and 30-year veteran of Faith. The results of this review were to be shared with all faculty and staff, and decisions regarding programs would be made based on their report and recommendations.

The resultant report confirmed the problematic areas that the consultant had identified—chiefly, under-enrolled classes and majors. These offerings resulted in incredibly high costs per student, an expense that an institution like Faith simply could not afford. Thus, after only six months on the job, Jameson and others made the decision to reconfigure the Bible department and eliminate the school's Social Work and German programs.

The Bible department's realignment was the most complicated of these processes. In essence, all undergraduate Bible faculty members were terminated. Consequently, the entire Bible curriculum was placed under the current Seminary faculty, giving them oversight over both graduate and undergraduate Bible instruction. This decision addressed three key problems for the College. First, by combining departments, the institution could continue its current programs with fewer faculty members and lower costs. Second, shifting work toward the Seminary faculty increased its class loads during a time when Seminary enrollments were low, helping bring teaching loads up to acceptable levels as the school pursued accreditation by The Association of Theological Schools (ATS).

Finally, the decision reduced much of the philosophical tension that these longtime undergraduate Bible professors had generated between the department and the theologically conservative institution. Two professors in particular were known for deconstructing traditional conservative beliefs in their entry-level classes in an effort to help students critically examine their own religious views and adopt a more thoughtful faith. Although these provocative faculty members viewed their research and teaching as supporting the liberal arts mission of the institution and avoiding a “handed-down theology” approach that developed a shallow belief system (FAC-5), others within the institution felt that they were doing more harm than good. Terminating them thus relieved some philosophical and pedagogical conflict within the College and Seminary as well.

But these problems were not the only issues that the institution was struggling with internally. As Jameson and other academic leaders were working to raise the scholarly profile of the faculty, two issues stood as particular roadblocks: an unclear faculty handbook, and low employee morale. Jameson and a few key faculty members quickly turned their attention to these issues following the program evaluation.

At a slim 30 pages, the faculty handbook did little to spell out clear processes for promotion, evaluation, and dismissal. The minimum criteria for faculty rank were low, with an Assistant Professorship requiring only a Master’s degree and two years of teaching experience and an Instructor position necessitating only a Bachelor’s degree and some years of teaching. And although faculty lacked the formal protections of tenure, the handbook and institutional culture created an expectation for annual contract renewal in all but the most extreme circumstances. This expectation, coupled with the lack of a formal evaluation process, left the chief academic officer with little power to address the few “coasting” (FAC-7) faculty members at the institution or raise the standards for academic quality across the board.

Employee morale was also a sizeable issue that the institution was struggling with. For years, Faith had struggled to attract and retain its best faculty (FAC-7)—in large part due to poor pay. Jameson thus commissioned another self-study of the institution—this time, an assessment of faculty satisfaction with compensation, instructional resources, relationships within and across departments, and other factors. While the findings demonstrated a high level of cooperation and trust across the institution in general, they also showed that an overall sense of trust between faculty and administration was lacking. Although the president and provost scored very high on the survey, other senior administrators did not garner the same degree of trust. The faculty felt they lacked a voice in decision-making and needed to be heard by senior leaders.

These issues did not go unnoticed by Jameson. The provost “took the trust question very seriously. He wanted to make sure faculty always knew they had a voice” (FAC-7) in expressing concerns or thoughts on pending decisions. Additionally, he recognized that the handbook in its present form was simply inadequate for the changes the institution needed to undergo. From his perspective, both problems needed to be solved immediately, and faculty needed to be heavily involved in creating those solutions.

Consequently, Jameson commissioned the Academic Affairs committee to re-write the faculty handbook to address the identified issues and created a Committee on Faculty to serve as a centralized voice for all faculty concerns. Over the course of the next year, the handbook tripled in size, clarifying review and promotion processes for faculty along the way. Future revisions would ratchet up expectations for faculty rank and guarantee multi-year contracts for established faculty. These revisions would enable academic leaders to set more aggressive expectations for faculty scholarship and hold them accountable to those standards. Additionally, the Committee on Faculty now served as a credible faculty voice with ready access to the provost. Faculty concerns or perspectives on administrative decisions could now be shared freely without fear of retribution.

Around this same time, the senior leadership team also began having conversations more broadly with school employees about the importance of substantive changes at Faith. Everly had begun hosting “FEMs”—Faith Employee Meetings—some years prior, and these all-employee meetings soon became the forum for discussing the financial realities that Faith faced. Faculty and staff were regularly apprised as to the status of enrollment and budgetary struggles that the institution was experiencing, and these facts made it clear that Faith would need to be more creative and aggressive in finding sustainable financial solutions for its issues.

The Great Recession of 2008 soon amplified the urgency felt on campus to even higher levels. Its most tangible impact on Faith came through the state’s decision to seriously reduce a generous scholarship program for in-state college students, causing a serious shortfall in student aid. The resultant declines prompted even greater changes to academic programs at the institution, forcing leaders to close the School of Music, a program that had only been in existence since 2005. In total, over 30 employees were laid off in the 2008-09 academic year, creating a sober campus climate (VP-1). In the midst of these changes, senior leaders created an Ad Hoc committee that was tasked with reexamining Faith’s current trajectory and searching for a viable alternative pathway.

This committee was charged with "reimagining" Faith—answering the question, "If we were re-starting Faith College, what would it look like? What would be different?" (JAMESON). This group of seven faculty, staff, and administrators was given some parameters within which to work—some "non-negotiables" (JAMESON). The new plan should continue to emphasize the school's scriptural and spiritual grounding, life-transforming education, and high quality. Additionally, two new emphases were added: affordability, and practicality. Under this direction, the committee began meeting in the summer of 2009 to determine which direction the institution should head.

By that winter, the committee released a proposal that called for a very different kind of college experience at Faith. This plan was significantly more radical than any steps the institution had taken in its history up to this point. In the place of a traditional academic calendar with two 16-week semesters and a long summer break, *Reimagine* proposed four eight-week mini-mesters and an online summer session that would allow any student to finish any bachelor's degree in three years rather than four. By taking three classes in each mini-mester and six hours over the summer, a disciplined student could complete a whopping 42 credits in a calendar year (see Figure 1). And because the institution charged a flat semester rate for all full-time students and gave away summer credits for free, students who maximized the opportunity could save 30% or more off their college education. (For an estimation of cost savings based on Faith's average net cost per student, see Figure 2.) Adding to this tremendous savings was the extra year of employment that students would gain by finishing a year sooner and the already low level of Faith's tuition compared to similar institutions, saving students up to 50% by Faith's own calculations (see Figure 3).

This new plan required more than a few changes to the institution's curricular plan. In

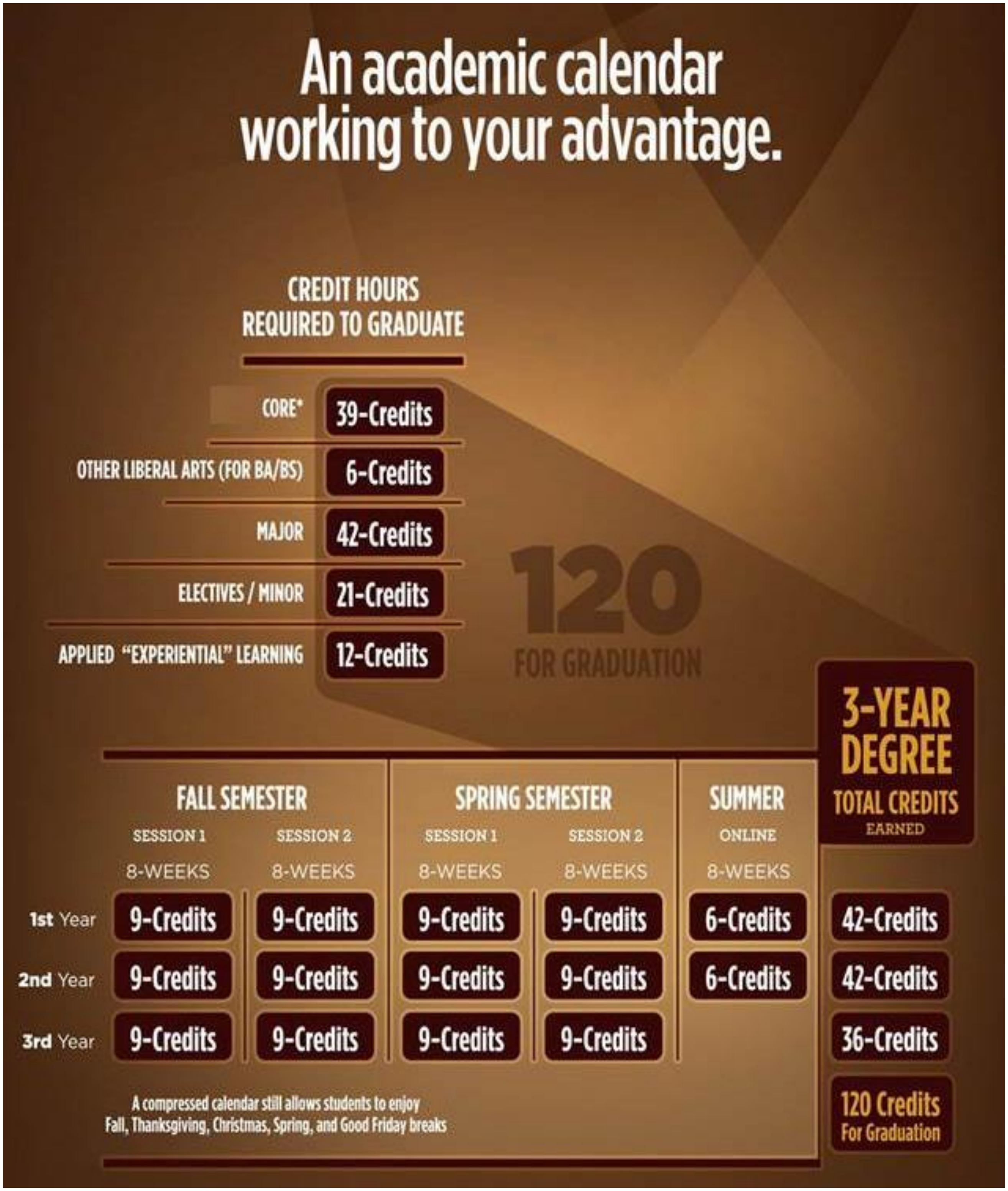

Figure 1. Academic calendar for a student on a three-year plan.

Student A: 2007-2010		
Year 1	2007	$ 15,977
Year 2	2008	$ 16,992
Year 3	2009	$ 17,190
Year 4	2010	$ 16,321
Total		**$ 66,480**

Student B: 2011-2013		
Year 1	2011	$ 17,244
Year 2	2012	$ 16,549
Year 3	2013	$ 18,976
Year 4		0
Total		**$ 52,769**

Inflation adjustment

Tuition and fees at private four-year schools across the country increased approximately 14% during the time between when Student B started and when Student A did (College Board, 2016). The cost savings calculation adjusts for this inflation.

The difference	
Cost to Student A (+14%):	$ 75,287
Cost to Student B:	$ 52,769
Student B's savings ($):	$ 23,018
Student B's savings (%):	30%

Figure 2. How the average cost of a Faith degree changed for students due to *Reimagine.*

(Note: Average net cost data supplied by Faith College. These)

order for all students to be able to finish on time, each major had to be reduced to 120 credits. And perhaps even more challenging, it also necessitated that all courses be redesigned to fit the new eight-week delivery method. Additionally, the institution needed to bolster its online classes to provide summer offerings for students and find qualified faculty members to teach them—either by hiring part-time faculty members or by paying full-timers for the overload. And finally, the student experience needed to change to include a more practical focus, with internships and practicums playing a much larger role than they did previously.

But while the plan charted out significant change in many aspects of its programs, it also

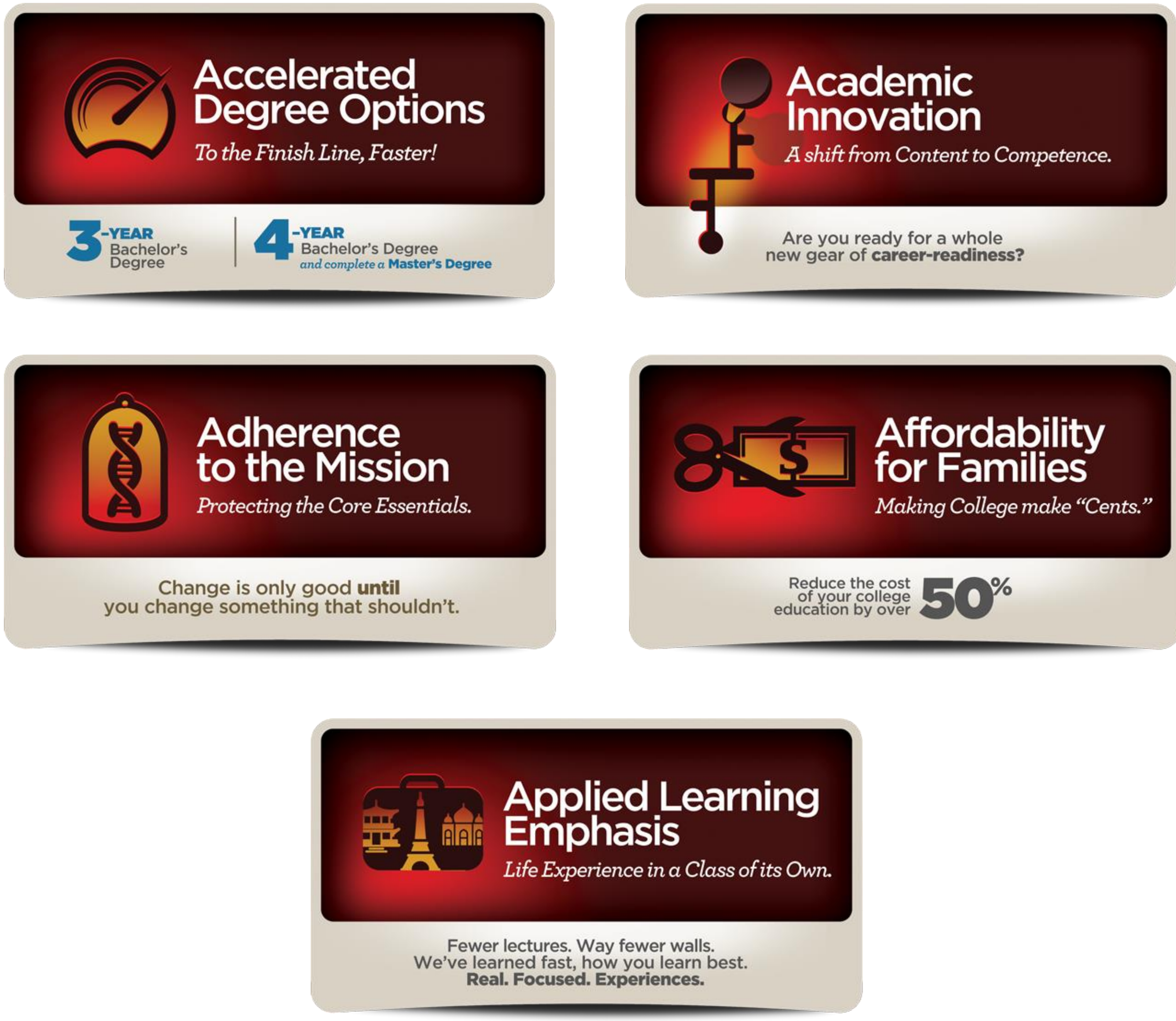

Figure 3. "Even a College Can Go Back to School" logos from Reimagine campaign.

spiritual transformation within the college experience. Additionally, the school continued to require four Bible courses in its core and maintained its on-campus living requirement for most traditional-aged undergraduates (see Figure 3). Finally, the institution's recently-developed emphasis on community partnerships retained high importance. Faith and OrthoWorx would soon collaborate to develop Master's and Bachelor's programs tailored to needs within the medical device industry (Faith College & Seminary, 2011; 2013). This degree of collaboration was a further extension of the strong working relationship that the institution had cultivated in the community.

The response from students and parents to *Reimagine* was immediate. When Faith implemented its three-year degrees in the fall of 2011, the College welcomed its largest freshman class ever. By 2013, the institution boasted record enrollments and was constructing new residence halls to handle the overflow. Aided in part by the design of a fourth-year Master's program (whereby a student on the three-year bachelor's track could graduate with a Bachelor's and Master's in four years) and the addition of over a dozen new academic programs, the institution's enrollment soared. Private giving to the institution also increased—a result of the relationships cultivated by Everly as well as new staff in the Advancement office.

Many faculty members also benefited from the changes as well. Although the focus on affordability and viability required some programs to be discontinued and other positions to go unfilled over the four-year change period, the administration invested a portion of the savings into faculty salaries and gave significant pay raises to faculty and staff members. A compensation plan designed by the Committee on Faculty addressed salary compression and low compensation overall, raising faculty pay by more than 20% over three years. Over the seven-year period of this study, some faculty saw their compensation increase by more than 50% to put them on par with Faith's competitors (Sherry, 2008; Stemmler, 2015). This attempt to reach peer compensation levels was an effort to better recruit new faculty as well as to retain those who had participated in sweeping curricular changes and served Faith for many years (JAMESON).

Rather than simply celebrating its survival and the success of its ambitious initiative, the institution continued to innovate aggressively—in part, due to necessity. In 2011, funding for the prison education program that had generated significant revenue for the institution was pulled by the state (Burkholder & Norris, 2011). As a result, Faith had to phase out a program that had been a major revenue generator for the institution, again creating a budgetary shortfall.

Fortunately, senior leaders had not allowed momentum to stall. Following the retirement of Everly in 2013, the Board elected Jameson to take the helm at Faith. With the continued help of Everly (whom Jameson kept on at Faith as a senior advisor for three years), Jameson continued on the ambitious trajectory that the institution had charted out over the previous years, announcing a new initiative in 2014. *A Measure of Faith*, the college's follow-up to *Reimagine*, was yet another bold change for the institution. Beginning in the fall of 2015, all new students would benefit from a 9% reduction in tuition, free books rentals, and a $500 reduction in tuition for each sequential year enrolled (see Figure 3). In essence, the institution reset its discount rate, lowering the overall sticker price without significantly altering net revenue per student. This statement sent a strong message to Faith's constituents regarding the institution's commitment to affordability and gained further national attention. Students in particular responded warmly to the idea, especially the offer of free books (ADM-2).

As a result, overall enrollment reached 2,185 students in 2014—an all-time high at the institution (National Center for Education Statistics, 2016). In total, the institution has grown by more than 500 students since 2007 while reducing staff by 19%. This combination of enrollment growth, cost control, and increased private giving has largely stabilized the institution's budget (see Table 3).

Although the institution is not generating multi-million-dollar surpluses, the revenue growth delineated here marks sure improvement in the institution's financial position. Faith College, while still working toward long-term stability, has achieved remarkable solidity in just a few short years—all while innovating to meet the financial needs of its student population.

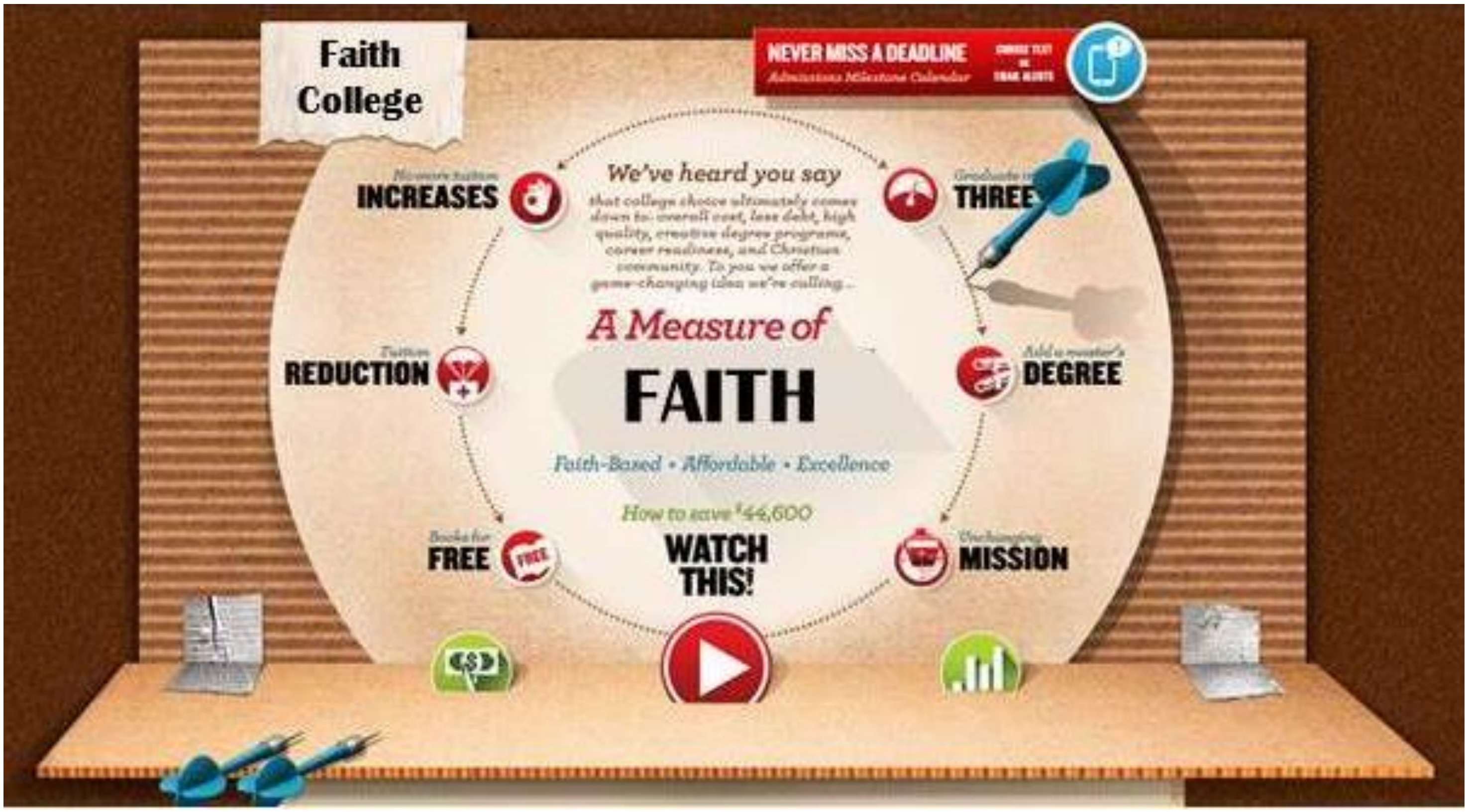

Figure 4. A Measure of Faith infographic.

Table 2. Faith College and Seminary enrollment, staffing, & finances, 2007-2014

Year	Total enrollment	Undergraduate	Graduate	FTE staff	Revenues	Expenses
2014	2,185	1,857	328	170	$ 36,295,411	$ 34,600,728
2013	1,904	1,615	289	179	$ 30,559,984	$ 29,576,470
2012	1,821	1,530	291	164	$ 24,332,860	$ 24,952,416
2011	1,616	1,310	306	158	$ 26,010,988	$ 23,555,039
2010	1,773	1,534	239	144	$ 24,465,837	$ 22,673,837
2009	1,641	1,466	175	164	$ 22,791,886	$ 22,480,958
2008	1,508	1,333	175	213	$ 20,528,648	$ 21,934,570
2007	1,403	1,226	144	220	$ 22,060,172	$ 20,058,347

Data retrieved from the Integrated Postsecondary Education Data System (IPEDS): https://nces.ed.gov/ipeds

Despite the continuing challenges of the institution's budget, faculty, staff, and administrators at Faith communicate optimism about the path forward and are encouraged by the remarkable progress the institution has made in such a brief period of time.

Conclusion

The story of Faith College is unique for several reasons. As a virtually unknown quantity just a few short years ago, the institution has quickly attained recognition for its unique delivery method and counter-normative tuition pricing. Amidst a charged debate around the cost of college and student debt, Faith has emerged as one of the few institutions that have been able to make an appreciable reduction in the cost of education for students. And rather than enacting these decisions using its considerable wealth or prestige, this non-wealthy school has become more affordable *while* becoming more financially stable.

Finally—and perhaps most interesting—is the speed with which the organization has pursued these paths. In many ways, the institution has traveled against the stream of traditional higher education at a breakneck pace that defies the norms of postsecondary institutions. Few colleges or universities would even *consider* redesigning their entire curriculum to reduce the cost of a college degree by 30%, and most would pale at the thought of completing this undertaking in less than two years. Faith did this, and more. For all these reasons, Faith College is a fascinating case study.

This case study prompts a question that leaders within even the most established organizations ask: *What aspects of the institution's leadership, culture, or context enabled it to become affordable and financial viable at such a rapid pace?* While the answers to this question are informative for every kind of organization, they are particularly critical for the hundreds of small, non-wealthy, private colleges and universities in the country. As these institutions look to develop a meaningful market niche while maintaining fidelity to their founding purposes, the demand for effective leadership is incredibly high. As the following chapter shows, the need for social capital between leaders and followers is imperative for large-scale change efforts. Leaders of every organizational type can learn from the ways in which Faith's leaders developed the trust and respect they needed to push difficult decisions through.

Chapter 5. SOCIAL CAPITAL

> You have this president who was well-known and well-respected, who had deep relationships. Who people trusted *implicitly*. That combined with an innovative, 'we have to get this done, let's make this happen, you can throw anything at us' [provost]...I think made it happen. I think individually as a president or individually as a provost, it wouldn't have worked. And so this simultaneous—and it wasn't opposite and opposing forces, they weren't like playing off each other, they were just moving the ship forward together. You know what I mean? Like there wasn't good cop/bad cop, they were just team members. So they sat down and reinvented. – ADM-2

For many students of change efforts within colleges and universities, the idea of administrators possessing high levels of social capital with faculty members sounds like a fairy tale. Traditional divides between these two camps have been noted for decades (Etzioni, 1964), making such a peace elusive at best. As a result of their competing priorities and differing orientations to the world, these two silos of higher education are notoriously combative.

However, the story of Faith College is one of counter-normative social capital. Based on years of relational investment and broad career experience, the president and provost of this institution created levels of trust that enabled them to ask audacious things of their constituents. Social capital thus forms the first cornerstone of Faith's change efforts.

Defining Social Capital

What exactly is social capital? According to (Adler & Kwon, 2002, p. 17), social capital is defined as "the goodwill that is engendered by the fabric of social relations and that can be mobilized to facilitate action." Goodwill exists when a relationship exudes characteristics such as sympathy, trust, or forgiveness, and this goodwill in turn can be converted into information, influence, or group solidarity (p. 18). Rather than following traditional lines of power and authority, theories of social capital assume that work often gets done outside of formal hierarchies—that people act in response to people they like or trust rather than (or simply in addition to) people they report to. Friends do favors for friends even though they receive no financial incentives for doing so; this is the essence of social capital.

These sorts of informal systems are hugely important in colleges and universities. Most postsecondary institutions operate with some form of faculty governance whereby academicians have a strong voice in matters that pertain to the academic aspects of the institution. Decisions about what kinds of courses will be offered, how those courses are taught, and who the people are that teach them are generally considered to fall under faculty jurisdiction (AAUP, n.d.). Additionally, because even peripheral decisions have a ripple effect on the academic core, faculty influence often spreads even beyond these boundaries to include everything from which healthcare program an institution chooses to whether or not the school fields a football team (Kolowich, 2015; Wilson, 2013). Complicating matters even further is the fact that many faculty members may also be alumni of the institution at which they work, stoking even greater passion and ownership over the institution's trajectory at any given time.

Needless to say, university faculties are an influential constituency. A displeased faculty can place incredible pressure on unpopular leaders by excoriating them in the press, issuing a vote of no-confidence, or refusing to work. Thus, even if a faculty has no official authority over a given decision, it still exerts considerable informal sway. For this reason, possessing social capital with faculty members is incredibly valuable when promoting a change effort.

Social capital flows through two types of relationships. The first is *strong ties*, or "bonding" relationships. These internally-focused relationships are close-knit relationships that are mainly located in an individual's primary network, such as a friend group or workplace. These strong ties "enhance cohesiveness and facilitate the pursuit of collective goals" within a group context (Fischer & Pollock, 2004). Strong ties are the result of persistent relationship building over a long period of time and create solidarity within groups or teams.

The second type of relationship is *weak ties*, or "bridging" relationships. These externally-focused relationships typically look like loose connections that branch out beyond an individual's primary social network. Alumni networks, mutual friends, and professional guilds exemplify this relationship type. These connections primarily facilitate the transfer of resources and information between people. In contrast to strong ties, which are generally located within a group setting, weak ties branch out and connect to individuals beyond one's dominant group.

For a substantive change effort, both types of social capital are necessary. If leaders can cultivate sufficient trust with their employees through their effective use of strong ties, constituents will willingly comply with directives without the use of rewards or punishments (Birnbaum, 2004). If leaders possess sufficient weak ties, the organization can draw upon expertise and resources from outside the organization that would not otherwise be available. A balance of these two kinds of relationships has been shown to optimize organizational achievement (Uzzi, 1996), as individuals that are too internally focused may lack the "spark" that change requires, and people with too many external ties lack the respect of those they are trying to lead. In other words, a leader who has spent her entire career building a particular team may not possess the diverse experiences needed to take the team in a new direction. An outsider with these experiences, however, will often lack the buy-in from the team that such a change requires.

Social Capital at Faith

Faith College's story is one of both strong and weak ties. Each type was strongly present with one particular senior leader, causing the other type to follow soon after. Due to the collaborative teamwork of the president and provost, the senior leadership team cultivated enough social capital to move the organization forward.

The first type, strong ties, were cultivated first and foremost by Dr. Everly—a definite outgrowth of his personality. Ask anyone at the institution what he or she thinks of former president Ron Everly, and a consistent response emerges:

ADM-2: "Dr. Everly is a very *slow, methodical, strategic*, relational [sic] builder"

JAMESON: "He was a very effective quiet leader. Our styles are worlds apart"

VP-1: "He is quiet, soft-spoken, unassuming; he's very brilliant"

Dr. Ronald Everly's personality fits much more easily in the theologian box than a college president prototype. As a tall, quiet man with large glasses and a neatly trimmed goatee, his gentle demeanor is anything but commanding. A conversation with him takes an ambling path as he ruminates on questions and slowly synthesizes years of experience to answer every inquiry. He is a thinker and a theologian through and through—not exactly what one imagines when conjuring up the image of a college president who steered the helm of a rapidly changing organization. But because of his longevity, humility, and people-first mentality, Everly consistently built trust within the Faith community:

> VP-1: …it’s having a president who was here for 20 years who is the epitome of godly integrity and humility who had massive trust….a deep and profound trust in the leader, who had paid his dues and who had led with real effectiveness.

As a steady, people-first leader, Everly had developed incredibly strong ties during his 20-year tenure at the helm of Faith. People believed that Everly was a good, godly man with the school’s best intentions at heart, and that belief in his wholesomeness developed trust. That trust, in turn, cultivated followership.

The provost (and now current president), on the other hand, possesses a completely different personality. Dr. Bill Jameson is a fast-moving man whose boundless energy makes him seem younger than a man of 63. His cleanly shaved head, broad grin, and approachable air also make him seem more down to earth than a typical CEO. Perhaps even more incongruent is the thought of him as a chief academic officer, a role he held for six years. By pedigree, he is much more of an administrator than an academician—though his intellect is certainly a match for that of any professor on campus. His career is a collage of various administrative posts at four other institutions across the country (in addition to an earlier stint at Faith), and his wide-ranging responsibilities in each of those roles provided a wealth of experience from which to draw.

A few minutes spent with Jameson are all that is needed to understand where the energy for Faith’s change efforts came from. The man is a torrent of ideas and activity, most of which center on the challenging future facing Christian higher education. Because of his broad-sweeping experiences in a variety of roles at a number of institutions, he garnered instant respect and credibility when he arrived in 2007. In contrast to Everly, employees at Faith trusted Jameson because of his weak ties—his ability to provide the expertise and connections that the institution needed:

> ADM-4: Bill is sort of the Thomas Jefferson. He's a graduate of Faith, worked here to begin with, but then did legitimate masters and doctorates—Purdue and Michigan State—in [clinical psychology and] higher education administration. Went away and worked at four or five Christian colleges in different positions, learning everything about it. Sent his kids here, even though he was somewhere else. Eventually, elected to the board, 'cause everybody knew he knew more about Christian education than anyone else, and then brought in as provost….
>
> You don't have to be around him 10 minutes until you know he knows more about academics; he knows more about being a change agent; he knows more about the numbers….But this is an idea guy. And again, I think most of his ideas simply came from his experiences at other places. He said, 'I saw how this worked at Geneva, I saw how this worked at Robert Morris, I saw how this worked at Cornerstone.' And he'd name off all the schools. So I think this—if you're around him for a few months, you say, 'I shouldn't fight him.'

In essence, Jameson's credibility came from the way in which he embodied weak ties. In contrast to most of the people who worked at Faith, Jameson had not spent the bulk of his life there. Although he was a former student, employee, and board member, his journeyman career across higher education provided him with a breadth of experience and resources that made him a phenomenon at Faith. In essence, these embodied resources gave him a unique form of social capital.

This conceptualization of weak ties as something someone *embodies* rather than *accesses through networks* takes the construct into new territory, blurring the lines between social capital and human capital. When most social capital scholars refer to weak ties, they primarily describe using externally-focused networks to gain information or opportunities. Individuals with this type of social capital gain it because of their unique position as a hub of connection for other people. To be sure, Jameson certainly possessed these sorts of ties and used them to cultivate partnerships with other college presidents or former colleagues. However, what gave Jameson the influence he needed at Faith was the collection of past experiences that regularly made him the most knowledgeable person in the room. Rather than being a mere conduit for access to expertise and resources (as most social capital researchers would describe a bridging individual with weak ties), Jameson encapsulated that expertise himself.

Consequently, Jameson quickly developed strong ties with people at Faith. In contrast to Everly who spent years building social capital through deep relationships and consistent shepherding, Jameson gained it rapidly as his expertise became evident. His administrative skill set him apart from Faith's history of administrators, creating a contrast that likely made it easier for him to gain credibility. After all, compared to other former leaders (such as a business officer that did not adjust the institution's budget to account for the College's discount rate), Jameson was a godsend. His thorough understanding of the business of higher education made him distinct in a way that expedited his social capital creation. And whereas Everly's strong ties came primarily from his personality, Jameson's came as a result of his experiences. In essence, he was able to build strong ties internally because of the way he embodied weak ties. His human capital translated—or at the very least, prompted the rapid development of—social capital with folks at Faith.

However, Jameson could not have gained this trust so quickly had it not been for Everly's own strong ties. In keeping with the theory of social capital, Everly did not simply bask in the rapport he gained from these relationships: he used it to push difficult decisions through. This goodwill enabled him to "spend" his credibility as he delivered bad news to the staff or asked them to undertake difficult work:

> EVERLY: Yeah. I think about poker chips a lot. You—anyone in leadership ends up—you collect poker chips over time. Well, hopefully you do. But then you also spend them. And you have to think about how to spend them.

This concept of accumulating goodwill, then spending it at a later time, exemplifies the essence of social capital. "Like all other forms of capital, social capital is a long-lived asset into which other resources can be invested, with the expectation of a future (albeit uncertain) flow of benefits" (Adler & Kwon, 2002, p. 21). Everly built social capital over the course of decades without a clear expectation of how he would spend that resource down the road. But when the need arose, he "cashed in" his capital to push difficult decisions through.

By his own admission, he also exhausted some chips when he supported a few ineffective administrators longer than he should have—but even still, he maintained enough social capital to support his provost as he advocated for change:

> INTERVIEWER: I'm thinking back to when Dr. Jameson comes here. He's been the provost for a few months, and then figures out he has to start closing programs and things like that.
>
> VP-1: He wasn't the most popular guy to a lot of people.
>
> INTERVIEWER: Yeah, I would have to think that.
>
> VP-1: He was profoundly courageous. And I think Dr. Everly's unwavering support of him—you know, I talked about the chips—I think Dr. Everly was throwing in some chips during that time as well.

Through their partnership, Everly was actually able to transfer some of his social capital to Jameson. Even though the provost was widely recognized as a brilliant administrator, his savviness alone could not have created the kind of change he asked for. Everly's continual endorsement of him was integral, particularly because of the difficult decisions Jameson had to make so soon on the job. Because of the precariousness of the budget, Jameson led the way in cutting the Social Work, German, Bible departments after just six months on the job—a monumental task for even the most established leader, let alone one who had been at an institution for less than half a year.

However, the combination of Everly's social capital as a leader and Jameson's capital as an innovative thinker inspired followership, even when the path forward was anything but clear:

> VP-1: Because a lot of leadership is hard decisions: 'I can't tell you, and for many of you this doesn't make sense, and this seems ridiculous,' or whatever it may be, 'but trust me, we need to do this.' And Dr. Everly had a lot of that. Dr. Jameson has a great deal of that as well and earned that quite quickly, I think, with Dr. Jameson's very courageous and very savvy leadership and love for the Lord and for this place. And so, we've been very blessed with those two leaders to have those who are highly respected and highly regarded as men of God. And there's just no substitute for that. I mean, that's right at the top as far as I'm concerned.

Brockner, Siegel, Daly, Tyler, and Martin (1997) find that if followers trust their leader and his/her intentions, they will comply with that leader's decisions even if the follower personally disagrees with the choice itself. Both Everly and Jameson received this kind of trust (albeit from different sources) and relied on it to advocate for taking the institution in new (and often unclear) directions.

This pervasive trust enabled the two administrators to counteract norms of shared decision-making that typify higher education organizations and instead function in a top-down fashion during the change process. Although they often worked through committees to conduct institutional research and form roadmaps for change, they also acted assertively in making program decisions or termination choices. In an industry known for its slow, deliberate processes and its historic resistance to authoritarian decision-making, this is an especially noteworthy feat.

Perhaps what is even more surprising than their assertive actions is the fact that faculty continued to trust and respect Jameson and Everly even after the assumption of more autocratic power. One individual articulated that the move toward three-year degrees was a top-down rather than bottom-up decision—a major mistake in most circumstances, but an absolute need during Faith's time of crisis. One would expect the shift from democratic to autocratic power to harm relations between faculty and administrators, but the successfulness of this choice instead seemed to strengthen trust and social capital.

Likewise, when Jameson assumed the presidency, he quickly released a group of administrators who many participants in this study described as ineffective. Major terminations of this kind could easily deplete years of social capital as the campus is shaken up by the controversy. But yet again, the response from the campus was joyous relief, not fear or distrust.

> ADM-4: The people immediately below him were, in my opinion, not effective, almost across the board in what they were doing….very shortly after he became President we [hired two new administrators]. Really good stuff. Then, as soon as those changes happened, that middle-older third of faculty were going, 'Yeah. I don't have to deal with those people anymore. They weren't careful with money, they didn't have the best work

> ethic, they were this or that or whatever.' That made you all the more willing to say, 'Whatever Bill says, I wanna do it.'

Although Jameson asserted control over the institution as a decisive leader, his actions garnered more trust because he was effective. The positive results of his decisions reinforced the perception of his wisdom.

Part of Jameson's secret to leading assertively without alienating faculty members was the way he listened to them. Although he was far from a decision-by-consensus president, his approachability and decisions to involve faculty on critical commissions fought off any impression that he was a dictator. That fact, coupled with the success of his decisions, heightened trust:

> FAC-1: I think they've done a good job of involving faculty in decision-making so there's ownership. At least, to be able to listen. And I think we've appreciated the fact that we're making it, you know. We've had some salary increases and we're building buildings, and you know, we've built a dorm the last two years. We're building another one now, so that's a—there's that sense of optimism.

Although Jameson is much more assertive than prior presidents, the positive results of his choices have increased, rather than decreased, his credibility. Faculty and staff recognize that the measures he has taken, while bold, were necessary for Faith. As a result, they support him. One vice president would even go so far as to say that "we are at an all-time-low of that kind of griping….And again, it all boils, at all points, back to trusting leadership" (VP-1).

Just as social capital theory would suggest, the trust that Everly and Jameson created was not exhausted following their use of it. Unlike other forms of capital, social capital does not depreciate with use, but may instead *expand* as it is utilized (Adler & Kwon, 2002). As followers give their leader their trust and see it stewarded well, future requests from that leader are received even more warmly. The fact that faculty and staff members supported these leaders during a challenging institutional season was not a fluke or an aberration; it was the natural outcome of carefully cultivated, trusting relationships.

One dynamic that certainly made the social capital between administrators and faculty attainable is the faculty itself—in particular, its humility. Many people described the faculty's sincere commitment to the institution and genuine lack of ego as a factor that contributed to the easy working relationship between both sides of the institution:

> FAC-3: I sensed that coming here—this humility and lack of entitlement. I had interviewed [at several other schools], and then I interviewed here. And there was such a vast difference…when I interviewed, [the dean] said, 'We are too small for any faculty member to be a diva.' So, he said, 'You know, we'll try to keep you in your area of expertise, and we'll try to keep you focused on the things that you're being hired for, but we're all expected to, you know, make sacrifices, do things that aren't necessarily comfortable.' So I kind of knew that going in, and I think that's kind of how everybody else, you know, recognizes you can't pull the card of, 'Well I don't do—that wasn't on my job description.' So, we all kind of make sacrifices. And, it makes for a good sense of community. So yeah. I think lack of entitlement…
>
> FAC-1: I think when [our accrediting agency] evaluates us, they always say, 'Well, I can't believe how dedicated faculty are.' I honestly think if you put it to a vote if we had to—in order to grow or survive—we would willingly take a cut in pay.

> FAC-5: ...given who the Faith Brethren are, they're a very Pietistic people...which means, among other things, they're very good at being good employees. We have no faculty senate here. We have no real way or mechanism to—and nor the desire, I think—to create a lot of racket…

> FAC-7: Faith highly values humility. It's a culture….That is something our faculty highly value.

Because the faculty naturally possessed a sense of commitment to students and the institution that surpassed their own agendas or entitlements, they were open to both leadership and change in ways that other faculties would not be. This humility was due at least in part to the institution's denominational origins and the president's own modeling of humility. The fact that Jameson kept Everly on the College payroll for three years after his predecessor's retirement is but one example of the humility that pervades the institution. After all, only 9% of small private college presidents maintain an honorary fundraising post at their institutions after departing, and the number falls to 4% when considering presidents of all institution types (Song & Hartley, 2012). The fact that a successful president would want to stick around (and that an ambitious incumbent would voluntarily choose to work so closely with his predecessor) captures the essence of humility found at Faith. This humility was a contextual factor that made cultivating social capital a much more achievable outcome to be sure. Everly and Jameson certainly developed social capital with this group, but the preexisting openness to relationship made it a much less difficult process.

Lessons Learned about Social Capital

This case study presents some obvious lessons about the importance of social capital. Without Everly's strong ties and Jameson's weak ties, it is unlikely that the change effort at Faith would have been possible. Social capital is a crucial resource that many change leaders will rely on during difficult times of transition, and this case reemphasizes that point while also showing the importance of both types of capital simultaneously. For most leaders, this takeaway is common-sense but worth reinforcing.

But not all of the insights gleaned from this case are so typical. In essence, Faith's story provides three new insights for students of change efforts or social capital. First, weak ties can be *exchanged* into strong ties. Second, social capital (like other forms of capital) can be *transferred* to other individuals. Third, social capital can be *embodied* in a person rather than carried solely through a network.

First, this study demonstrates that strong and weak ties can be exchanged. Jameson's weak ties quickly converted to strong ties once his abilities were recognized as critical for the challenges facing Faith and as Everly's endorsement of him was received within the institution. Jameson's example suggests that perhaps the division between weak and strong ties is not as clear cut as most would assume—a sentiment echoed by Adler and Kwon (2002) who suggest that bifurcating the various embodiments of social capital into two distinct kinds may have limited the scope of research in the past by too narrowly defining these constructs. This study reinforces their point and creates new territory for social capital researchers to explore.

Second, social capital is commutable—it can be transferred to other individuals. Traditional streams of social capital research tend to suggest that the strong ties cultivated by one individual tend to reap benefits primarily for that person. What this case study shows, however, is that Everly was able to spend his social capital to legitimize Jameson—in essence, that the trust the president received and in turn placed on his provost created a similar level of trust between the provost and the institution's members. This study thus reinforces emerging work by researchers such as McDougald (2011) who find that social capital can be transferred from one person to another during times of transition.

Third, social capital can be embodied rather than merely accessed through a network. As Jameson's example shows, the line between someone's human capital—their past experience and skills—and that individual's social capital is not so clear-cut. Jameson quickly gained credibility and rapport because of the numerous experiences he had accumulated throughout his career, providing him with both the strong internal ties needed to advocate for difficult choices and the expertise and resources that are typically seen in weak tie networks. Jameson's example suggests that the distinction between the various types of capital may be either erroneous or simply poorly defined. Clearly, his significant human capital played a large role in developing social capital at Faith. While the exact mechanism for this transfer is somewhat unclear, his example bends the rules of social capital one way or another. His human capital (weak ties) converted directly to strong ties, a phenomenon requiring further examination to fully understand. The implications of these blurred lines is thus a fascinating area for future research.

Conclusion

This narrative of social capital reinforces the importance of both broad experiences and deep relationships for leadership teams during change processes. Everly's long tenure at the helm and pervasive relational orientation created strong bridges between himself and the College's employees, and Jameson's breadth of experience lent him the credibility that he needed as a leader of difficult change. When combined effectively, Everly's and Jameson's complementary strengths created the energy and trust needed for effective transformation. As this quote summarizes, the president's long investment of energy into faculty relationships was a core reason for the change effort's success:

> VP-2: And so, when you say, 'How does this happen?' You know, I don't wanna say faculty were *passive,* but I wanna say they were *primed*. They were open; they *trusted*….if you look at the president's popularity polls, if you will, or his credibility polls…they still are responsive and respectful and respond to him and trust him….All those things, they're still positive. That's really how the 8-week thing happened.

Despite the difficult changes that they had to push through, Everly and Jameson maintained respect and effectiveness throughout the process because of their deep social capital.

However, as the next chapter shows, trust alone did not create radical change. Instead, a strong sense of urgency mobilized action in the direction that Everly and Jameson wanted to go. The next chapter unpacks the nature of this urgency and how it was cultivated within the Faith community.

Chapter 6. URGENCY

> So, it was either, 'We're not gonna make it,' or 'We're gonna change.' And so we're like, 'Well...if the one is already a preconceived destiny, we're not gonna make it. So, let's try something, let's do some innovative things, let's take some risks.' – FAC-3

For most colleges and universities, change is a gradual process. For all but a handful of aggressive institutions, change efforts would best be described as a process of measured hesitancy. Held captive by the forces of structural inertia, postsecondary institutions crawl toward macro-level changes at a glacial pace.

For many years, Faith College followed this traditional path of methodical evolution, slowly becoming more and more like a traditional college. The school began as a seminary in Ohio, then relocated to another part of the Midwest two years into its existence. Shortly after arriving in Yost Lake, the Seminary expanded to include an undergraduate division that would soon become a full-fledged college. Other developments such as a prison education program and online degrees would eventually follow years later. As the institution faced both challenges and opportunities, the curriculum and organizational focus adapted accordingly at a gradual clip.

That pace of change was turned upside down in the mid-2000s, however. In the span of a few short years, Faith overhauled its curriculum, changed its academic calendar, lowered costs, and shuffled its academic portfolio. The abnormality of these changes leaves one asking, "What prompted this seismic shift at Faith?"

As this chapter shows, *urgency* was a driving factor of this change. Believing the organization would shut down if significant steps were not taken immediately, the organization threw caution to the wind and began adapting rapidly. Senior leaders countered the institution's inertial forces by shaping the perceived reality of its employees through active *sensegiving*. Their message of urgency was further reinforced following an *exogenous shock*—the economic crisis of 2008—that heightened the leadership's opportunity to make sense of the world for their faculty and staff. At the same time, the departure of naysayers and the arrival of energetic newcomers unified the institution through a process of *attraction-selection-socialization-attrition (ASSA)*. These three mechanisms combined to create an urgency powerful enough to shake Faith out of its innocuous existence and free it to change in dramatic fashion.

Defining Urgency

What is urgency? To paraphrase Kotter (2007), urgency is a strong desire to change—a sense that the status quo is more dangerous than the unknown. When an individual or an organization experiences "enough disequilibrium to force a coping process that goes beyond just reinforcing the assumptions that are already in place" (Schein, 2004, p. 320), urgency has taken effect. Urgency has permeated an organization when its members believe that they need to change and need to do so *now*—when individuals are highly motivated to chart an alternative path based on either an opportunity that should be pursued or a threat that must be avoided. This jarring sense of motivation forces individuals and organizations to redefine expectations and work toward a new reality. However, most colleges and universities never reach a level of permeating urgency due to the structural inertia that constrains intentional change efforts.

Defining Structural Inertia

As described in the Introduction, Hannan and Freeman (1984) define structural inertia as the varied forces intrinsic in an organization or its field that make change difficult: internal politics, sunk costs, legal barriers, norms of legitimacy, and so forth. These formidable forces lead Hannan and Freeman to conclude that "individual organizations are subject to strong inertial forces, that is, they seldom succeeded in making radical changes in strategy and structure in the face of environmental threats" (p. 149). In short, structural inertia saps the inertia of just about every attempt at radical change within complex organizations.

These inertial forces are particularly strong within and around colleges and universities. Conflict between faculty and administrators often creates internal politics that hold new initiatives hostage. In consensus-driven environments, a lack of agreement can arrest any controversial decision. Additionally, sunk costs in employees—particularly, faculty—limits the kinds of programs these institutions can offer. Accrediting bodies limit the range of courses any given faculty member can teach, and provisions such as tenure hinder institutions from rapidly laying off faculty when the market shifts. And even if interchanging tenured faculty were a possibility, accreditors also watch closely for any academic decisions that deviate sharply from established norms.

Organizational age can also be a barrier to change. Because of factors such as tradition, culture, or organizational homogeneity, older organizations "rely heavily on the status quo" (Hambrick & Finklestein, 1987, p. 384), making age a factor that slows down adaptation (Cyert & March, 1963). In essence, older organizations have more historical baggage than younger entities, making change a difficult process.

Limits on energy, attention, and resources also play a role in stymieing change. Because organizations are composed of finite human beings who have constraints on their personal and professional resources, beneficial change efforts often stall out over time as other priorities arise (Cohen, March, & Olsen, 1972). In other words, since people cannot give their full attention and energy to all an organization's initiatives all at the same time, many will fizzle out along the way as the next attention-grabbing crisis diverts time and resources away from yesterday's priorities.

All these factors (and more) combine to create an environment where inertia is high and establishing urgency is difficult.

Generating and maintaining adequate urgency for change is incredibly challenging in light of this pervading inertia, but it is also completely necessary. Arresting the attention of a slow-changing college or university requires cutting through competing goals, political landmines, and historical norms. Cultivating a genuine desire to change necessitates that leaders provide a compelling and unifying vision of an unachieved future—one that is powerful enough to elicit dedication in the face of overwhelming odds and promote tenacity amidst continual barriers. In order to create the urgency needed for change, structural inertia must be overcome—but how? In Faith's story, three different mechanisms combined to create this high level of urgency: sensegiving, exogenous shocks, and attraction-selection-socialization-attrition.

Urgency at Faith

Prior to imagining *Reimagine* or implementing *Measure of Faith,* faculty, staff, and administrators at Faith College felt an almost palpable sense of urgency about the need for change within the organization. In the mid-2000s, Faith's senior leaders recognized that the institution's core financial metrics were not solid and that the school resembled its competitors so much so that true market differentiation was nearly impossible. Nestled in a region that contained more than a dozen similar institutions within just a hundred miles, Faith was far from distinctive in its market. Like most institutions in their position, the College thus spent money on financial aid discounting and improving its facilities in an effort to attract more and more students. These efforts did not prove effective however, as they slowly hollowed out the institution's core financials:

> ADM-2: We got to a point where...[the] type of student we were getting, the applications we were getting, the amount of money that we're giving away in order to capture students was really getting inverted. Our discount rate was going through the roof. We were retaining the same numbers, but our discount had to keep going up in order to get—you know the game that it is, it's a *sick* game. So...so [the administration is] looking at that, going, 'Wait, we can't do this.' So at that juncture they came together and said, 'We have to reinvent it. We have to reinvent.'

Leaders at Faith felt strongly that they could not continue doing the same things and expecting different results—something substantial needed to change in order for their future to look hopeful once more. Although the solution was initially unclear, it quickly became evident that, "If we don't do anything, we're not gonna be here anyways" (ADM-2).

This journey toward urgency first began to take hold among the senior administrators. As the primary strategic decision-makers for the institution, they possessed the greatest grasp of the future that likely awaited Faith. As they wrestled with the numbers and read about the challenges facing higher education, the need for change became apparent:

> EVERLY: In '07 we began reading a book on finances for small colleges, Townsley wrote it. And we would discuss it in administrative meetings, and out of that one day, one of the people in the administration said, 'I wonder if in 10 years all these schools around us will be here.' Well, that was sort of the beginning of us thinking, 'What are we going to do?' We didn't know 2008 was coming. But in God's mercy, again, we—in 2007—began making choices…

As senior administrators continued to evaluate the future of Faith, one thing became clear—change would need to happen in order for the institution to survive. This conversation, begun in 2007, would be the catalyst that kick-started Faith's change efforts.

The long-term concern for Faith's sector of higher education was not the only motivating factor, however; Faith's immediate budget shortfall was also a compelling force. Based on the million-dollar deficit that the institution faced in 2007, Everly and Jameson began making cuts immediately. Seeing colleagues' positions eliminated was a sobering sight on campus and heightened faculty members' understanding of the reality facing Faith.

Urgency on campus took another leap forward when the recession hit in 2008. The bleak tenor on campus was exacerbated by the economic downturn and its resultant effect on college closures around the country. As more people across the U.S. and within Faith lost their jobs or experienced pay cuts, urgency increased to new heights. Employees at Faith became convinced that the institution was not on a sustainable path, frequently using words such as "crisis" or "survival" to describe it the stakes:

> ADM-2: So the college, about six years ago in its evolution basically said, 'We stink. We better learn how to do a different story. Because if we don't we won't **survive**.'

> FAC-1: But you know, that's part of **survival**; I mean, the way things are—I don't know how you could not do this.

> FAC-3: I mean, you're looking around, you're like, 'Who's the next to go?' So, it wasn't just everything's going great, and then now there's this crisis. It was like, cut, cut, cut,

> and *then* the **crisis** hits. And so, it's like the writing was so on the wall, it was unmistakable.

> FAC-5: … Christian higher education, it's a tough sell these days. It's about **survival**… So we're trying to survive, and we've been scrambling to do that frankly, I think. (**emphasis added**)

As these quotes show, individuals at Faith literally thought that the school would cease to exist barring significant change. These people, like many others at Faith, felt real urgency that would soon marshal the attention, energy, and resources needed for lasting change.

According to Kotter (2007), creating a sense of urgency is the first step of any successful change effort. However, he also states that over half of the organizational change cases he has examined fail in this first step. Faith's story thus prompts the question this chapter addresses: how did this overwhelming sense of urgency develop?

Urgency Mechanisms

Feelings of urgency across Faith's campus did not appear on their own; they came about through three different mechanisms. First, urgency was cultivated by senior leaders through *sensegiving*, a process in which they shaped the worldviews of the institution's constituents. Second, *exogenous shocks* to the system reinforced the administrative message to the institution. In other words, activity in the environment interacted with Faith's own context to propel them forward. Finally, the four-part process of *attraction-selection-socialization-attrition* further enhanced urgency as a large portion of the workforce turned over, energetic new employees were attracted, and the remaining individuals were influenced accordingly. These three themes are explored in detail below.

Sensemaking & sensegiving. Long before Faith would undergo its radical transformation, Everly had begun hosting “FEMs”—Faith Employee Meetings—for all faculty and staff at the institution. During these meetings, he would provide updates regarding the status of the institution and share information about the college’s core metrics. As changes began to unfold at Faith, Everly continued these meetings and used them to openly discuss the realities facing the institution:

> VP-1: You know we have these FEM meetings, these all-employee meetings month to month, and both of our presidents, recent presidents, just bend over backwards, I think, especially Bill [Jameson], to communicate, to say, ‘Here’s where we are, here’s what we’re doing, here’s the revenue we hope will come from these initiatives’….[as a result,] there’s just a heightened awareness that, ‘Man, I better do whatever I can to make sure this place stays open.’ ‘I’ll—okay, tell me, you want me to help out with Welcome Weekend? You want me to?...’ And I think that’s become part of the culture too. Faculty don’t just write and teach. Faculty need to engage in all the things that we do.

As this quote demonstrates, these meetings were intentionally utilized as a time for leaders to communicate the dire situation that the college and seminary faced and frame expectations for how faculty and staff should act in response. Everly comments that this message was communicated so frequently that faculty began to complain that they heard nothing but bad news. Even still, Everly persisted.

Two concepts underlie this process of senior leaders first experiencing urgency, and in turn, transferring it to employees: sensemaking, and sensegiving. Gioia and Chittipedi (1991) describe *sensemaking* as the process of constructing meaning—attempting to develop a "contextual rationality" (Weick, 1993) that informs action in uncertain circumstances. In other words, sensemakers want to understand what is happening in their particular context and what they should do about it. Sensemaking is required when a novel experience arises for which there is no established routine or playbook to follow, thus forcing individuals to choose not only what to do, but what to believe about the world. Change efforts are one such setting in which sensemaking occurs as individuals are forced to grapple with a complex environment and devise a strategy for navigating it.

The very fact that senior leaders believed that Faith might cease to exist reflects their own sensemaking processes. Informed by the books they were reading, their awareness of their competitors' struggles, and their understanding of the institution's financial data, senior leaders came to the conclusion that they faced a significant risk of closure. In light of this risk, they decided to act proactively rather than passively accepting the foregone conclusion of death.

Consequently, they also attempted to influence others to share their understanding of reality. This process of influencing others' sensemaking is referred to as *sensegiving* (Gioia & Chittipedi, 1991). Sensegiving occurs when a leader, after making meaning of the world for him or herself, "engages in cycles of negotiated social construction activities to influence stakeholders and constituents to accept that vision" (p. 434). Oftentimes, leaders attempt to shape the sensemaking of followers through meetings, conversations, strategic plans, and vision-casting opportunities. Sensegiving is thus defined as "the process of attempting to influence the sensemaking and meaning construction of others toward a preferred redefinition of organizational reality" (Gioia & Chittipedi, p. 442). Sensegiving is thus a model example of the social cognition framework for change, as change leaders attempt to influence people's views of the world in order to ultimately alter their behavior (Kezar, 2014a).

For Faith, employees' sensemaking process was not left to chance—administrators actively engaged in sensegiving for faculty when proposing difficult changes:

> FAC-3: We might not always like the decisions that they make, like the Music program—to have to cut that. But Dr. Everly explained to us why we had to cut it. And once he explained it, it was really a no-brainer. I mean, it really was, 'That's the way it is.' And so, um, I think that the fact that they were up-front with us helped us to see the big picture, um, and the dilemmas that they're facing on their level helped us to follow their conclusions. It wasn't just, 'Here's the conclusion.' They helped us to understand the—
>
> INTERVIEWER: Process.
>
> FAC-3: Yeah. The facts and figures. Without, you know, unnecessarily burdening us with it. But they just helped us to see the big picture.

Rather than telling faculty members that money was tight and change was critical, administrators *showed* them. Jameson commissioned the Ad Hoc Committee to evaluate each of the academic programs on campus in terms of several key metrics, including average class size, cost of instruction, total revenue generated, and percent of courses taught by full-time and part-time faculty. Each program received one of eight recommendations moving forward, ranging from "Continue as is" to "Discontinue to the program," with several other options in between ("Continue, but narrow the focus", "Continue, but reduce costs", etc.). This recommendation was based on data collected over an eight-year span, producing over 200 data points per program. As such, the report would provide ammunition for research-driven change—a step that is critical for change in the scientific management perspective.

This report was made available to all Faith employees, with the metrics and recommendations made plainly visible to everyone. Faculty and staff thus became very familiar with the core financial metrics of the institution and were able to arrive at largely the same conclusions that administrators did on their own. The level of urgency around the need for change thus increased to necessary levels as Faith's employees understood the bleak reality for themselves. By actively making sense of the world for faculty and staff in this way, senior leaders cultivated their support and mutual acceptance of the organizational reality.

This process of collectively examining program data also served a second function unrelated to urgency: that of generating community buy-in by following socially acceptable processes. Within most higher education organizations, key decisions such as program eliminations must follow the established pattern of valid processes in order for the decision to be deemed as valid by the group. Not surprisingly, studies of change show that collaborative decision-making has become increasingly important in the last few decades (Kezar & Eckel, 2002b). Rather than focusing on decision outcomes, these processes are judged to be valid "based on the degree to which the procedures used to reach the directives are consistent with the values of the group" (Birnbaum, 2004, p. 13). Thus, this process of collective examination in itself legitimated the decisions to some degree and addressed the "tradition" element of structural inertia—especially because of the high degree of faculty involvement in the committee. By honoring the tradition of inclusive decision-making that typifies higher education, senior leaders used one aspect of the organization's inertia against itself to create change.

More than anything, this process of honoring tradition is symbolic. In order to ameliorate the desire for collaboration and influence that faculty and staff members feel, they must have an opportunity to voice their opinion and be heard. Even if their perspectives are not fully incorporated, the act of speaking one's mind confers some degree of legitimacy on the decision after it is made. The symbolic power of this process is evidenced by one faculty member who states:

> FAC-6: …to be frankly honest and, I think in many respects, we were *used*, and I don't mean that totally negative, but I think Bill Jameson knew the outcome of what was already going to take place, and the committee was formed and went through the process to validate what he already thought.

As this quote suggests, employee perspectives were sought out and followed to a large degree. However, some deviations from their recommendations occurred. For instance, following the release of the committee's report, Jameson made the decision to eliminate the Physical Education program—a decision "that wasn't even on our radar screen" (FAC-6). Nevertheless, the faculty and staff members on the committee did not revolt. To some degree, fulfilling the socially-accepted review process enabled Jameson to make decisions like these by legitimating him as a leader who relies on the collective wisdom of others before making a choice (even though he did not follow each of their recommendations to the letter). The same was true for the Committee on Faculty—an entity that drove a significant amount of Jameson's intended change within the institution but did so through the auspices of faculty leadership. Simply put, giving people a voice and engaging them in decision-making increases buy-in.

Even though these committee processes helped validate the difficult decisions that would be made, the chief contribution of the Ad Hoc Committee's report would be the shared understanding and urgency that resulted, not the political approval it garnered. Based on the report, faculty and staff members concluded that decisions about program closures were “black and white…it was pretty obvious that they were not being very efficient” (FAC-6). The findings were so clear, in fact, that one committee member even recommended that his own department be eliminated based on the data. The most powerful outcome of the Ad Hoc Strategic Planning Committee Final Report was thus the shared view of the institution’s reality that resulted in urgency for change.

This shared understanding counteracted two of the primary sources of structural inertia: limited attention and competing goals. Because colleges and universities are complex organizations that must attend to a variety of personal and departmental agendas, attention and energy is spread thinly between multiple areas. And because these matters rise and fall in relative importance over time, time and attention likewise fluctuate to meet the most immediate demands. This process of fluid participation typically serves to sap any concerted change effort of its momentum, stalling it out through starvation of attention and resources.

Clearly, Faith’s change efforts did not follow the traditional path and fizzle out—in large part due to the focus and unity that surrounded the issue of survival. Because senior leaders consistently shaped the experienced reality of faculty and staff members to be attuned to these critical issues, attention did not waver and time did not vary to the same degree that typifies “organized anarchies” (Cohen, March, & Olsen, 1972, p. 1) like colleges and universities. This clear focus on survival through change cut through the noise and competing distractions, focusing the organization on its singular path forward. And if there were any holdouts or cynics throughout this process, their doubt of the situation’s seriousness was certainly challenged by the exogenous shock of 2008.

Exogenous shocks. The second mechanism that increased urgency at Faith was the major exogenous shock that the institution experienced—i.e. the Great Recession of 2008. This series of events was completely beyond the control of change leaders at Faith, but it nevertheless served to reinforce the efforts they were already taking to institute substantive change:

> JAMESON: So—meanwhile, '08-'09 the Recession hits….and in our state, we had one of the top two or three best state scholarships in the country. The neediest kids got about $11,000 in Fall of '08. Fall of '09 it was cut by 39%. Fall of '10, cut by another, I think, 8%. So over two years, almost 50% cut in those grants. So we had a 50 student drop between Fall '08 and Fall '09. We'd been growing—we were at, I think, 347 new freshmen and transfers in '08. Dropped to 290. Almost 60 students. So, this sounds sarcastic or crass, but then we're at a point where—we already weren't making it. Then we had this, and you know, I said quietly to Ron [Everly] and other senior administrators, 'We can't let the financial crisis go. We have to use it.' So we *really* then made changes to this campus.

Rather than being deterred by the crisis, senior leaders at Faith used it to leverage even greater change on campus. Without the Recession, Jameson believes that Faith's change efforts would have stopped far short of where they are now. At the very least, the change would have been much slower if it happened at all. Instead of sapping strength from the change effort, Jameson believes the Recession "propelled" it forward

> EVERLY: I began talking publicly in employee meetings about economic realities of Faith. And then, as '08 happened, I gave economic reports every meeting. In fact, sometimes employees would say, 'Why don't you do something encouraging instead of

> going over all this?' And I said, 'Well, I think this is a really important moment for the campus.' You know, there's nothing like a crisis to gain support.

This sobering event provided valuable validation for the conversation that senior leaders had already begun on campus. To borrow from the political arena, the crisis created a "policy window" during which it was possible to push through changes that normally would have failed for lack of support (Kingdon, 1995). By leveraging the crisis to coincide with the changes afoot at Faith, these events helped generate the focus needed to combat the chaotic decision-making that generally embroils colleges like Faith.

The mechanisms described in this chapter show how leaders at Faith were able to overcome the intrinsic resistance of structural inertia. By using sensegiving and exogenous shocks to their advantage, leaders at Faith were able to counteract the competing goals, unclear methods of achieving those goals, and fluid participation of decision-makers that typify organized anarchies (Cohen, March, & Olsen, 1972). Continual communication with the faculty and staff through FEM meetings narrowed the goals of the College down significantly because College leaders continually refocused institutional members on the goal of adapting for survival. Rather than trying to become the most elite college, the most affordable college, and the most spiritual college all at once, Faith's goal was clear: become financially solvent through radical innovation and affordability. Other priorities such as developing academic programs and scaling up athletics remained as goals within the system but largely faded into the background as this singular goal was pursued. And by creating a committee tasked with achieving this goal on an ambitious timeline, leaders eliminated any ambiguity about who would be involved and when the goal would be achieved. This intense focus on a singular goal allowed the institution to overcome the inertial tendencies that plague other colleges and achieve dramatic results quickly.

More specifically, the institution was able to substantively change its *curriculum*—an achievement that is far from typical. In their discussion of structural inertia, Hannan and Freeeman (1984) single out curriculum as being particularly difficult to change:

> Why would the university's curriculum be so difficult to change? A number of answers come quickly to mind. The curriculum embodies the university's identity with reference both to the broader society and to its participants (i.e., faculty, students, staff, administration, alumni). The kinds of courses offered and the frequency with which they are offered serve as a statement of purpose which is articulated with society's value system. The curriculum also represents one of the bases on which resources are distributed. A change toward a more vocationally oriented set of courses threatens entrenched interests. Professors of classics and other humanistic fields which would have a lesser role in such an institution can be expected to resist such a change. The curriculum is difficult to change, then, because it represents the core of the university's organizational identity and underlies the distribution of resources across the organization. In these ways, it can be said to lie at the university's 'core'. (pp. 155-156)

Changing the curriculum required changing the "core" of Faith in many ways—a feat that few institutions undergo to any significant degree. However, the urgency that people at Faith felt propelled it passed these typical barriers to enable it to redesign every one of its courses for an eight-week semester and limit all its majors to 120 hours. This urgency was initially cultivated by sensegiving and exogenous shocks, but the final addition of the attraction-selection-socialization-attrition process also played an integral role as well.

Attraction-selection-socialization-attrition (ASSA). Finally, urgency within the faculty intensified as holdouts left and as new, energetic employees arrived. This process of organizational reinvigoration effectively aligned the culture of the institution with the new direction advocated for by the administration and removed barriers along the way. Through both providential timing and administrative intervention, Faith's culture changed significantly over the course of just a few years.

Over the seven-year period of dramatic change at Faith, a significant number of faculty and staff departed the institution. While some left due to fatigue or lack of a desire to change, other departures came about due to planned retirement, death, outsourcing, or other job opportunities. As a result, the institution was able to hire young, energetic, junior faculty members who entered excited about the prospect of radical innovation. Three different segments of Faith faculty thus emerged as a result: the departers, the fresh incomers, and the remaining core. ADM-4 describes these three different segments in terms of their openness to change:

> ADM-4: …that core in the middle, a lot of those are Faith grads….So that third bought in and have worked diligently. You wanted to be team players…. I mean, there are little ups and downs, but the theme is, 'Yeah, Bill [Jameson] knows what he's doing.' That's a third. There's a third that's new. And they've been so remarkable for us. Young PhDs from other places with new ideas and energy and young families and they never say, 'Whoa, that's not the way Faith used to do it,' because they don't know how Faith used to do it and they've bought in totally and Bill's brought them in. Um, there's a third who—they're just retired. It became fairly evident to them, 'I'll put my three or four years in, but I don't quite fit in with this new thing.' And they're some of my friends, they're people who have been here a long time, they dedicated their life to the place. But first of all, they're old enough it's time to retire, and secondly, they didn't—I'm not sure they

> didn’t buy in; they didn’t have the energy, they don’t want to start a new degree program…
>
> So, that was a pretty big generalization, but yeah—a third, core, ‘Yeah, wow, this is neat, I’m so excited, I’m just in my 50s and I will be a part of this;’ a third of the new folks; and then, a third who aren’t with us anymore or are on their way out.

As this administrator articulates, the faculty “thirds” each reacted differently to the proposed changes at Faith. Either due to dissatisfaction, other opportunities, termination, or retirement, one group chose to leave. In contrast, the newer, younger faculty generally responded with enthusiasm at the prospect of innovation. The middle third either increased in their excitement or at the very least complied as they saw a number of their more reluctant colleagues depart.

To be clear, the overarching theme provided by ADM-4 demands some nuance. Data from the institution show that, in total, 108 faculty and staff left Faith between 2007 and 2014—a number that represents 61% of the institution’s total workforce. Of that group, 18 were food service or physical plant employees who were terminated when the institution outsourced those services. (Many of them were subsequently offered positions with the new provider.) Of the remaining 90 departees, 20 were faculty. While small in absolute terms, this latter group represents more than 40% of the institution’s full-time instructional staff—a sizeable proportion, to be sure. However, while these departing faculty members represented a significant slice of institutional history and faculty leadership, the group was not disproportionately composed of older individuals. Thus, while the institution did see some major turnover in its workforce (particularly, in its faculty), the data show that these transitions did not represent an ousting of senior faculty members.

Nevertheless, these changes further empowered leaders to cultivate urgency amongst employees at Faith because they successfully addressed structural inertia—in particular, the inertia typically created by tradition and staffing inflexibility. In essence, the restricting forces of organizational age and tradition were diminished just by the fact that a large portion of the faculty members left. Without the tradition-bearers embedded in the organization to say “that’s not who we are,” the organization was freed from a limited range of options that history would dictate it must follow. Likewise, the rapid departure of a number of faculty members provided an instant burst of flexibility to the organization that allowed it to reallocate resources to meet the changing structure—a luxury that rarely presents itself within the highly inertial world of higher education.

Not all departing faculty members left completely voluntarily though; many lost their jobs as a result of the financial challenges the institution faced, and some were encouraged to leave if they did not want to cooperate with the change efforts:

> INTERVIEWER: So that bottom third, were they encouraged to leave, or were they just kind of voluntarily—
>
> ADM-4: Yeah, in one or two cases, I think Bill [Jameson] named very specifically that I should go call a couple people and said, ‘You know, what you’re doing doesn’t match where we’re headed and we love you and you can still stay [connected to Faith], but we’re going a new direction.’ Others of them, within a few years, you realized, ‘This is the new Faith. If you don't wanna work 50 or 60 hour weeks, maybe you ought to go do something else, ‘cause he’s not gonna be satisfied with just sort of showing up occasionally and doing this or that.’ So they were encouraged—I don't know if he ever said anything to them, but sort of, ‘How long until you retire?...‘You know. So, it wasn’t

> some giant blood-letting where he just called people in and said, ‘You’re outta here,’ but there was just a touch of that at the beginning that made everybody say, ‘Boy, I don’t think I want to be in that position.’

Seeing colleagues lose their jobs heightened urgency as some of the remaining employees believed that they could be next if Faith did not change and remain viable. Even though few faculty were actually terminated (and of those that were released, only a small fraction was over the age of 60), the ripple effect of their departures was felt within the tight-knit community. Although this factor was only mentioned by a few participants, the fear of ending up “like those Bible profs” (ADM-4) who were terminated did play at least a small role in shaping the cooperation of the faculty, socializing them toward greater urgency for change.

These factors reinforce a truth that most managers are highly cognizant of: employee dynamics play a significant role in how an organization functions. According to Schneider (1987), organizational culture and behavior are not primarily shaped by the strategic direction of the chief executive or the policies of the human resources department. Rather, “the people make the place” (p. 437). Organizational behavior is thus a function of the people within the organization—people who were attracted, selected, and retained precisely because of their fit with the attitudinal and behavioral norms of the organization. Those who do not fit with the organization’s direction depart, creating a homogenizing attrition. This cycle of attraction-selection-attrition (ASA) thus prompts organizations to become more stable and similar over time as newcomers who resemble incumbents are brought in and misfits leave or are forced out:

> VP-1: …it would be very unfair for me to say that everybody who’s been here for 20 years or longer doesn’t want to change anything—that is not true. But I think it is true that the older you get and the more you’re kind of set in what you do and you like what

you do, to innovate and to re-work all your syllabus and all your courses and on and on, is really challenging and very difficult. And we have had older faculty who have done that with a great attitude, some not so much, but they want to be here, but we've brought in a *lot* of new employees over the last five years that are excited about really embracing what we're doing. That's how a culture changes often; there's almost a tipping point. It's not just, 'Well if the top guy says it, then we change,' cause as you know—I'm sure you've done some study in the area of culture—you know, it's about what's important, what I value, how we do things, what are our traditions, I mean all those things together. That does not change overnight. But I think when you begin to have people both internally and then you're bringing new people who reinforce that new culture, it creates a new normal. We are really a different place than we were when I came [several] years ago. And even 5 years ago. In many ways, we're a different place.

This theory offers a compelling explanation for the origins of organizational culture and explains quite a bit of Faith's journey toward urgency. As holdouts exited the institution and likeminded people were attracted and selected for employment there, the spirit of urgency on campus was further amplified. Additionally, a mechanism not described by Schneider (1987)—socialization—also played a large role in the ASA process. Employees who remained at the institution throughout the changes were socialized throughout the process toward heightened urgency as they observed others lose their jobs and felt the organization moving on without them. Thus, what I believe to be a cycle of attraction-selection-socialization-attrition (ASSA) enhanced the desire for change at Faith:

FAC-3: So it's almost like we had really strong leadership from the top. [It] basically *contained* all of the discord and the little petty things that could've come up.

> ‘Cause, I think [Jameson] kept us focused [with] vision and gave a structure. So that was very helpful. And I think there were people who didn’t like that, and they left. So, when you weed out the people who are putting the brakes on things and trying to make the system accommodate to their—to the way they want it to go and then they realize, ‘Oh, the system’s not gonna accommodate to me anymore,’ then they find a different position, or they retire….it’s not like anybody left in a huff. But there were people—significant people that left ‘cause they realized the system is not going in the direction I want it to go and it was kind of purifying in that sense. So everybody who’s here pretty much wants to be here.

As resisters departed and those committed to change remained, the Faith workforce was “purified” in its desire to change. This exodus consequently made room for newcomers who brought fresh energy and ideas to the exciting challenges that Faith faced, further intensifying the urgency for change.

As mentioned in Chapter 2, ASA and ASSA are prime examples of a cultural theory of change. Unlike the social cognition perspective provided by sensegiving, ASSA shows that change in organizational behavior occurs as the people (and consequently, the culture) shift. As Faith’s culture shifted toward one that valued adaption and new perspectives, individuals changed to align with that value (or left, leaving an open spot for someone who was a good cultural fit). As Faith’s example shows, change occurred through both social cognition and cultural mechanisms, albeit in different ways.

Lessons Learned about Urgency

What sets Faith College apart from just about every other college and university is the fact that employees at Faith *actually believed the organization would die if they did not do* *something drastic*. For most institutions, change is a strategy, an option, or a necessary-but-cumbersome process that must be endured. But for Faith, change was a lifeline. It had to happen *or else*. Dramatic change was possible at Faith in large part because the organization had nothing to lose—it would die slowly without changing, die dramatically after attempting something bold, or survive after a grueling metamorphosis. Once death became a default trajectory rather than a possible risk to avoid, the playbook opened up.

This assumption of inevitable death enabled decision-makers at Faith to counteract the norms of legitimacy that typically grip colleges and universities. According to new institutional theory, colleges and universities look to follow the lead of the most powerful institutions by modeling behavior after them (Greenwood, Oliver, Sahlin, & Suddaby, 2008). Rather than venturing out into new territory, less-established organizations seek to mimic industry leaders in order to gain legitimacy.

However, Faith did not follow this predicted approach. Rather than stopping to ask, "What is best practice? What do our peer institutions do?" as most colleges would, people at Faith wondered, "What will we have to do to survive?" Faith lunged forward with its three-year degrees with the hope that they would truly differentiate the institution in the marketplace.

Feelings of urgency were so strong on campus that several well-established norms of legitimacy were violated. It is generally believed, for instance, that shortening the amount of time a student spends on a degree also decreases quality (Hurley & Harnisch, 2012). Likewise, the prestige of an institution is frequently connected to its price, with better institutions costing more, and vice versa (Townsley, 2014). Both lowering costs and shortening a degree could thus be seen as desperate efforts to remain solvent at the expense of norms of legitimacy. However, Faith simply did not have the luxury of waiting for societal norms to change in accordance with its plan; it had to be relevant to the marketplace immediately. Once the fiscal and competitive reality took hold, what emerged was a radical plan forward that defied educational norms. This plan was born of palpable, permeating urgency.

This potent sense of urgency was created because the change process successfully combatted major elements of structural inertia. By giving at least symbolic support to socially acceptable decision-making processes, leaders leveraged tradition to encourage more change. Focusing the institution on the goal of survival united the institution in its efforts, and faculty departures freed Faith from some of the limitations created by institutional age and sunk personnel costs. Whether intentionally or not, this change process succeeded by addressing these barriers—a need that future change leaders should be cognizant of.

Faith's example also reinforces what most leaders already understand about the need for communication during transitions. Urgency levels at Faith would have been much lower had leaders not regularly created opportunities to influence everyone's understanding of the challenges facing the institution through regular communication. As Fiss and Zajac (2006) articulate, "the success of strategic change will depend not only on an organization's ability to implement new structures and processes, but also on the organization's ability to convey the new mission and priorities to its many stakeholders" (p. 1173). Without regular, data-driven meetings with administrators, faculty and staff members would not have understood the need for change. Shaping the social cognition of followers was a must-have for this organization.

Lastly, Faith's story also reemphasizes the importance of healthy turnover. Although many early adopters shared the administration's vision for change, the organization's transformation did not fully occur until the institution was refreshed by new members who shared that same vision. Although few leaders take joy in seeing long-serving employees leave, a certain degree of this turnover may be necessary for the organization to experience lasting cultural change.

Conclusion

Urgency at Faith came about for three primary reasons. As administrators increasingly came to believe that the institution was facing a dire future, they engaged in sensegiving to shape the perspectives of faculty and staff toward this same reality. As a major exogenous shock occurred in the environment, they leveraged the resultant crisis to reinforce this sensegiving process. And throughout the change efforts, an internal attraction-selection-socialization-attrition process reinforced the seeds of urgency that had already been planted. This process of "getting the right people on the bus, the wrong people off the bus" (Collins, 2001a) further unified the organization in its desire to change.

As a result, a substantial majority of the institution's members felt compelling urgency that counteracted the power of structural inertia. Rather than pursuing multiple competing goals at one time, the institution was united in its goal of survival. Instead of seeing energy waver as participation in the change efforts fluctuated, senior leaders kept the faculty and staff members focused on the task at hand by continually making sense of the world for them. Faculty departures freed the institution from some of the inertia that history and tradition bring and gave the institution the flexibility it needed to reallocate resources.

As this chapter shows, urgency was a critical force in Faith's change efforts that was cultivated in several different ways by senior leaders and social processes within the institution. As the need to change was widely recognized by the organization, the social capital that senior leaders possessed gave them influence over the change trajectory they would pursue. However, these two factors alone cannot explain why Faith came to believe it would die and why it was willing to pursue such a radical, “illegitimate” path forward. As the next chapter demonstrates, the spirit of academic capitalism that further enabled these radical shifts to take place.

Chapter 7. ACADEMIC CAPITALISM

> I think we need to accept who we are, find our niche market and work that niche. You know, I think we learned when we brought in some really first-class musicians, and we're gonna [try to] turn this into the Christian Julliard. Didn't happen. Just isn't gonna happen. That's not who we are. We have to accept who we are and try to find that niche, you know, and do the best job we can with that niche of student cross-section. – FAC-1

Perhaps the most unorthodox aspect of Faith College's story is its business mentality and counter-cultural pursuit of a narrow market niche. Although this behavior may seem ordinary to the typical businessperson, such a strategy defies the near-universal norms of colleges and universities. Due to legitimacy pressures, high ambiguity, and homogenous professional values, postsecondary institutions generally pursue academic ideals rather than savvy business practices and mimicry instead of differentiation (DiMaggio & Powell, 1983). However, this tactic was not working for Faith, prompting the college to launch into uncharted waters by genuinely differentiating itself from its competitors. The tactic worked, and the institution survived as a result.

In short, Faith did so by embracing a mentality of "academic capitalism" (Rhoades & Slaughter, 1997). By forming *business partnerships* in the local community, conducting extensive and ongoing *strategic analyses* of its operations and future prospects, and clarifying the institution's *value proposition*, the institution aligned its culture and its curricula with the marketplace. As this chapter shows, these decisions charted out a clear path for internal constituents and allowed the institution to better tap into a wealth of resources in their environment. To do so however, the institution had to buck the powerful forces of homogeneity that grip most postsecondary institutions.

Forces of Homogeneity

Success in the business world is all about differentiation (Levitt, 1980). When an entrepreneur forms a successful startup company, he or she does so by identifying an underserved population and tailoring a solution to meet this group's needs (Skok, 2013). As a result of this solutions-orientation, a startup necessarily looks different from other organizations already in the market. After all, if the startup entered a crowded market and only did what all the other organizations in the market were already doing, the company would fail to carve out its own niche of customers and resources. Just as a living species looks for crucial resources to survive, most businesses must seek out niches where resources are plentiful and competition is bearable if they are going to remain in existence (Hannan & Freeman, 1977). This is one of the key insights provided by the theory of population ecology.

However, this practice of differentiation based on solutions for an unserved population runs contrary to the norms of higher education. Instead of working to meet the needs of an underserved group and tailoring organizational practices to better serve this niche, colleges and universities actually pursue *sameness*. This outcome has less to do with a lack of business acumen on the part of college administrators and more to do with the strong pressures of isomorphism that postsecondary institutions face.

As described in the Literature Review, DiMaggio and Powell's (1983) encapsulation of new institutional theory identifies three factors that drive colleges and universities to look the same. First, educational institutions are often rewarded based on legitimacy, not results. In other words, schools that look too different from the accepted norm are deemed illegitimate and may not receive political or financial support from critical constituents. Second, educational institutions mimic each other because they are often uncertain about the best way to proceed. Because educational outcomes are hard to quantify (and the processes that produce those outcomes are even more difficult to measure), colleges that are attempting to improve often default to copying the industry's leaders. Finally, homogenous professional norms ingrained in the higher education workforce prompt uniform practices across colleges and universities. Since most faculty members come from a relatively small number of graduate schools that all emphasize research productivity and reputation enhancement, the institutions these faculty members lead likewise embrace these values. For these three reasons, the vast majority of colleges and universities end up becoming indistinguishable from each other.

Subsidies & The Matthew Effect

Perhaps the most surprising fact about this universal mimicry is that *it actually works* for many colleges and universities. In a free market system, such homogeneity would undoubtedly lead to sweeping organizational deaths. Over time, meager profits and fierce competition would drive all but a few of these undifferentiated organizations out of business. However, this is far from the case in higher education, as only about 0.1% of colleges and universities close every year (Brown, 2015; National Center for Education Statistics, 2016). These institutions survive at a high rate despite the fact that they look more or less the same, contradicting core principles of business.

The chief reason that colleges and universities survive despite their homogeneity is the power of external subsidies. Because outside resources prop up colleges and universities, higher education is not fully subject to the winnowing effects of a free market. Annual capital infusions from governments and donors enable colleges and universities to continue to operate even as their expenses exceed revenues from students. These subsidies come in many forms: student aid, direct institutional allotments, research grants, endowments, and donor contributions. While the mix of each varies widely from institution to institution, virtually all higher education institutions (including for-profits) are held afloat by some combination of third-party resources.

These external subsidies are not distributed equally, however. As mentioned previously (see Chapter 1: Introduction), institutions that are larger, older, and wealthier collect a disproportionate amount of these funds (Woodhouse, 2015a). In keeping with the Matthew Effect (Merton, 1968), world-class institutions such as Harvard, Stanford, and The University of Texas maintain their advantage on the world stage by leveraging past successes for future gains (Schoen, 2015). Famous, well-endowed institutions are more likely than other schools to receive large donations (Schoen; Woodhouse) or substantial research grants (Weigley & Hess, 2013), making them even more famous and wealthy in the future. As stated earlier, the 40 richest private universities in the world receive 60% of all donations to private higher education (Woodhouse). Consequently, the gap between the name-brand universities and everyone else becomes larger and larger over time.

In a market based on prestige, these few wealthy institutions thus hold a disproportionate amount of power. Since most colleges and universities try to compete by doing the same things better than all of their peers, the schools with the greatest history or largest endowment possess a distinct advantage. Success in the prestige market is narrowly defined, relying on factors such as star professors, notable alumni, research productivity, and winning athletic teams—all of which are highly contingent on a preexisting reputation and resource base. Once an institution has reached this top tier, its momentum will largely enable it to continue to collect resources and "win" at the prestige game. College rankings from publications such as *U.S. News and World*

Report bear this out, as the relative position of the topmost schools shows almost no change over time. For instance, the list of institutions on the *U.S. News* Top 20 has remained unchanged over the last two decades—no new institutions have climbed up to dethrone an incumbent (Martin, 2015). One of the primary reasons for this stagnation is the inherent cost of climbing up, as moving from the mid-30s to the top 20 would cost more than $112 million annually (Gnolek, Falciano, & Kuncl, 2014). Thus, despite major investments by lower-level players, the top institutions maintain their commanding lead in perpetuity.

While plentiful subsidies and a strong legacy make the field's leaders successful, the reality looks much different in the lower end of the marketplace. The major government funds and annual gifts that top-tier institutions receive are virtually non-existent at most small private institutions without household names. In fact, the bottom three-fourths of all colleges and universities receive less than 14% of the total donations to the field (Redd, 2012). As a result, these small, non-wealthy, and inconspicuous institutions are almost purely enrollment-driven, deriving only a small fraction of their revenues from external sources. For them, the subsidies that empower the winners have almost no impact on daily operations.

In essence, wealthy institutions compete in a different market than poor institutions. Because wealthy institutions have diversified revenue streams (i.e. high subsidies), these colleges and universities are buffered from much of the turbulence created by fluctuating annual enrollments. The brand power that these institutions possess already gives them a head start in attracting steady streams of students, and the sheer buoyancy provided by their third-party subsidizer only strengthens their advantage further.

However, the same is not true for little-known and non-wealthy institutions. Because they receive miniscule subsidies (and the vast majority of these subsidies are still tied to enrollment), these institutions compete in a “freer” market. Their prices, revenues, and costs are highly tied to competitive performance (i.e. enrollment), with few external support mechanisms to stabilize them if their enrollment drops for even a year. Because they are generally smaller, a decline in just a handful of students carries significant financial implications. Thus, even as they ardently pursue prestige and legitimacy, they lack the resources, name brands, or support mechanisms to actually succeed at it. These institutions are thus caught in a pernicious trap: the rules of the game encourage them to pursue prestige, yet they are virtually unable to succeed at this strategy.

For these institutions, a counter-cultural approach is the solution. Rather than using the same playbook that prestigious institutions use to succeed in a protected market, non-wealthy private institutions must adapt to meet the demands of a free market. In essence, that means running a college like a business. By keeping one’s finger on the pulse of the market, these institutions can set prices and develop programs that align with market demand and differentiate themselves by finding a unique niche. While this tactic may draw criticism from the field (since everyone else primarily values legitimacy and prestige), it will enable these institutions to remain financially sustainable and fulfill their missions in distinct ways.

In summary, most colleges and universities look remarkably similar for a variety of reasons. Despite the strangeness of this practice, the field is actually very stable—thanks in large part to the large external subsidies provided by governments and donors. However, these subsidies are collected in disproportionate amounts by the wealthiest and most famous institutions, leaving lower-end schools to fend for themselves. These enrollment-driven institutions are thus stuck in a market where success is a distant possibility because of their lack of legacy or wealth. In order to truly succeed, they must adapt to their own market realities by pursuing differentiation and business acumen rather than mimicry and prestige.

The Competitive Reality at Faith

Unlike most other small, non-wealthy institutions, Faith College recognized this reality and embraced a business mentality. As a tuition-driven private college that was experiencing enrollment declines, members of the institution literally believed the institution would close (see Chapter 6: Urgency). The homogenous model of higher education Faith had followed like everyone else simply was not producing the enrollment results it needed to survive. Without the notoriety or wealth needed to compete effectively in the prestige race, Faith could follow the normative rules perfectly and still could not garner enough resources to make it.

In response, leaders at Faith increasingly recognized that the institution needed to adopt a business mentality, to find an untapped niche and fill it rather than merely imitating its prestigious peers. In place of trying to recruit the brightest and wealthiest students, the institution decided to focus in on its blue-collar student niche. Instead of raising its price to communicate prestige as most of its peers do (Townsley, 2014), the institution decided to lower its price and change its curricula to be more accessible for students. These choices flew in the face of the normative pressures Faith faced, but individuals there felt they had little choice. Faith could continue pursuing legitimacy and sameness and go out of business, or it could innovate dramatically and slightly increase its odds of survival. It chose the latter and succeeded as a result.

In essence, Faith embraced what Rhoades and Slaughter (1997) derisively refer to as "academic capitalism"—in effect, running a college like a business. Rather than making decisions purely based on academic ideals or normative concepts of legitimacy, Faith's leaders took a scientific management approach and searched the marketplace for solutions to its enrollment problems. Realizing the market demand for an affordable Christian college experience, Faith rapidly reinvented itself and its messaging to the outside world to capitalize on that niche. By embracing a new value proposition and investing in is local community, the institution avoided financial demise, lowered costs to students, and achieved financial stability, all at the same time.

Academic Capitalism at Faith

The academic capitalism mentality that Faith embodied is represented in three particular behaviors within the institution. First, the College formed integral *business partnerships* that improved the institution's standing and brought critical resources. Second, the College's faculty, staff, and administration conducted *strategic analyses* of the institution's financial metrics, enrollment predictions, and market niche. Third, these same leaders *clarified the value proposition* of the institution, deciding what niche the institution would fill and how it could align operations in that direction. These tandem processes provided clear direction to institutional decision-makers throughout the change process and effectively aligned the institution with a unique marketplace niche.

Business partnerships. For much of its history, Faith was content to remain in its ivory tower—or more specifically, to stay "up on the hill" (ADM-4) it occupied in the town of Yost Lake. Faith initially crafted its curriculum and student experience without much regard for what the "marketplace" wanted. Its largest constituency was the Faith Brethren denomination—a natural pool of students that served as a consistent pipeline for Faith. Thus, for most of its 75 years, the institution largely ignored the local Mobberly/Yost Lake area. In fact, students were implicitly discouraged from going into town because of the sharp divide in relations with the town. As mentioned previously (see Chapter 4: History), the division was almost tangible:

> ADM-4: …if you were from Mobberly 30 years ago, and you saw someone coming down the street with white socks and dark pants, you'd say, 'Oh no, there's one of those seminary students, and he's gonna hand me a track and witness to me.' It was almost that relationship. And remember, there's a college, but 30 years ago, the Seminary had nearly as many students as the College….And, for good or bad, that's how the community saw Faith. A bunch of Bible people, they have a terrible basketball team, they don't even have a track. So it was an oil-and-water thing when I went to school here. It wasn't wise to wear your Faith letter jacket downtown. It just wasn't.

As ADM-4 describes, town-gown relations were poor. Faith was very removed from the local community, creating a relational separation between the institution and the town. And for most of its history, Faith's leadership did little to improve this dynamic.

Faith's desire to remain aloof began to diminish under President Everly's leadership, however. A consulting report early in Everly's presidential tenure brought the poor community relations to light. The consultant bluntly told Everly and the board, "your relationship to the community stinks, and you need to do something about it" (EVERLY). The president was convicted that the institution was attempting to instill a spirit of outreach in its graduates yet failing to demonstrate that same value itself. Consequently, Everly thus began reaching out to the community to bridge historic divides in the late 1990s. The personal relationships he began forming during these years were the first plank of that bridge.

In the early 2000s, the president was attending a conference on the topic of university-business partnerships when he was struck by the terrible thought of the orthopedic companies leaving the area for greener pastures. As these companies comprised 10% of the entire state's exports, such a departure would devastate the region (EVERLY). These stimuli prompted Everly to invest even more heavily in community relationships.

At the same time that Faith was moving toward the local community, the institution's historic student pipeline was drying up. The pockets of Brethren students that Faith formerly attracted were now drawn to other growing conservative Christian colleges such as Liberty or Indiana Wesleyan (ADM-4). Faith's monopoly on its student market was gone, and it desperately needed to develop local pipelines if it was to survive.

Fortunately for Faith, the relationships it had begun developing with the local area would soon produce tangible results. By cultivating partnerships between the companies and Faith, stronger relationships were forged that encouraged each of the companies to stick around. Faith worked with the orthopedic companies to renovate the shabby downtown, develop tech degrees to support their operations, build a convention center on Faith's campus, and even form a joint non-profit organization called OrthoWorx dedicated to meeting the needs of local businesses. And in the process, Faith's reputation in the community improved in the minds of local high school graduates. After decades of discord, these investments into the surrounding community began to pay dividends. ADM-4 continues:

> ADM-4: And so, from that to 35 years later, the [basketball arena and convention center built on Faith's campus in partnership with the local community] and the orthopedic companies connecting with each other—still competing with one another, obviously, because of its shareholders—but connecting a little bit through Dr. Everly and Faith, that was a big, big deal. [The mentality changed] from, 'Boy those Bible thumpers up on the hill,' to 'Wow, I kind of hope my kid would want to play soccer for Faith,' or, 'My daughter loves the Faith volleyball team; they're so good and they're so godly.' It is a

> day-and-night change, and that was Dr. Everly….suddenly now we have access to some funding, suddenly now Faith sports events get as much attention as Mobberly Community High School, which is amazing….That didn't change until 1999 when Everly decided, 'We've gotta do something about this.'

Everly served as a key lynchpin for the orthopedic companies, connecting them to the College as well as to each other. The result of that relational investment as well as other contributions to the local town dramatically improved town-gown relations.

By embracing the major players in the local economy, Faith gained some much-needed financial support and positive publicity that helped save the school. In the words of Kerr (1994), Faith descended from the acropolis (the city on the hill) to the agora (the marketplace), actively working with businesses to improve Faith's image and student pipeline while maintaining (and improving) the local economy. By taking this entrepreneurial approach toward cultivating critical business partners rather than merely pursuing prestige or academic ideals, Faith began its foray into academic capitalism.

Strategic analyses. The second dynamic of academic capitalism that Faith embraced was its strategic analyses. Like most institutions, Faith had kept tabs on financial indicators such as enrollment and tuition discounting for some time. However, the institution's financial sophistication reached an entirely new level with the arrival of Bill Jameson as provost. For Faith's entire history, every president had been a seminary-trained theologian. Now for the first time, the institution possessed a seasoned administrator with years of experience at other institutions. That experience was first brought to bear on the institution's core financials.

One of his first acts as a senior leader was to commission a new academic program review. Although a review had been carried out the year prior, the analysis was overly simplistic and provided no actionable recommendations for steps forward. Jameson not only ordered a new one, but he also provided the template for how it should be completed. Using multiple internal financial metrics (such as cost of instruction per credit hour) and external predictors of program demand (such as Bureau of Labor Statistics projections for job growth), members of the Ad Hoc Committee at Faith proposed targeted cuts and reinvestments into each of the institution's academic programs. (Because of its critical importance in Faith's change narrative, one such academic program is included in its entirety in Appendix C: Program Review.)

As this review demonstrates, Faith's self-examination took a highly scientific and business-based approach—a definite shift from the uninformed decision-making the institution had operated under previously. Leaders at Faith wanted to understand exactly which programs were losing money and which ones were subsidizing others. They also sought to predict demand for each of their programs as they made decisions about the future of the institution's curriculum. This analysis for each academic program was shared with the entire institution, providing a clear common data set to inform and reinforce difficult choices.

These data enabled the institution's leaders to make some tough decisions. In fact, one such program assessment would eventually lead to the termination of a department whose primary funding came from the institution's largest donor. Rather than balking at the political implications of such a choice, President Everly brought the numbers to the donor after making the decision and communicated that he wanted to do a better job of stewarding the donor's money. Consequently, the donor was impressed with the president's business acumen and trusted him even more (ADM-2). The financial analysis of the institution empowered senior leaders to make bold decisions such as these.

These strategic analyses also cultivated broader support for changes on campus. As the College became more comfortable with its core financial metrics, decisions to invest or disinvest in programs became highly logical to the people affected by these choices. Based on the data made available in this report, many faculty and staff members found the ensuing program closure decisions to be “black and white…it was pretty obvious that they were not being very efficient” (FAC-6). Although a small minority of faculty and staff were not thrilled by the proposed changes and ultimately departed (see Chapter 6: Urgency), the majority supported the new direction. Once all decision-makers were looking at the same data, consensus among the majority on campus became relatively easy to achieve.

Again, this decision to make curricular choices based on quantitative metrics rather than professional values or peer benchmarking denoted a shift away from the blind pursuit of academic ideals. Instead of offering the same programs that everyone else was offering and marketing them to the same pool of students, Faith’s leaders pruned the institution to focus on what it could do uniquely well. Doing so reinforced the institution’s growing niche mentality and saved key resources during tight financial times.

Clarified value proposition. But decision-makers at Faith also came to understand a more fundamental truth about the institution than its enrollment projections or cost analyses told them—the College’s value proposition. After years of following the same path as its competitors and targeting the same students, Faith reimagined itself in starkly different terms. Rather than attempting to become a highly prestigious Christian liberal arts university, the institution committed itself to affordability and accessibility for an underserved population of students.

This clarified value proposition came after decades of unsuccessfully following the standard playbook for colleges and universities. Modeling itself after other notable Christian liberal arts institutions such as Taylor, Wheaton, or Gordon (FAC-4), Faith attempted to attract high-achieving students and send many of them on to graduate school. While the institution did experience some moderate success with these strategies each year, the College faced a continual battle in achieving these ambitions. Unlike these more-established institutions, Faith lacked the history or wealth needed to attract the numbers of elite students and faculty it needed to win at the prestige game.

Faith's existing student demographic did not help matters much, either. More so than many of its competitors, Faith College attracted a substantial number of students from families of very limited resources. Even though Faith enrolled approximately the same fraction of low-income students as the rest of the country (National Center for Education Statistics, 2016), these students arrived with much greater financial needs than the typical college student. During the crucible of 2007, the average Pell recipient at Faith was receiving nearly $3,900 in federal grant aid—over seven times the national average (The Education Trust, 2015). As employees at Faith would attest, the institution was much more likely to attract students who came directly from poverty. This student demographic understandably created a tenor on campus that differed sharply from that of more elite institutions:

> VP-2: …we are a blue-collar school. Faith is a blue-collar campus. Taylor is a whole different student….You know, we're kind of the Huntingtons, the Bethels—we're kind of like them a little bit. But blue-collar, no doubt. And we have a different culture. Blue-collar is a little more needy….they're high relational, high touch, high contact….less independent.

This particular term—*blue-collar*—was used by multiple individuals across the institution. This adjective connoted multiple things for the participants who used it. They described their students as blue-collar when saying they were from a lower social and economic class (ADM-3), “more needy” from a relational standpoint (VP-2), earned lower test scores (ADM-3), and had an average Expected Family Contribution (EFC) of zero (ADM-3). Succeeding at the traditional competition for greater legitimacy and prestige was understandably difficult with such a high-need population. Coupled with its miniscule wealth and relatively short history, the deck was stacked against Faith. For many years, the College continued at it nonetheless, working diligently to be the best of the best and attract more of the academic and socioeconomic elite.

While the lack of wealth, history, and National Merit scholars was indeed a problem, one of the most crippling disabilities was the college’s unclear value proposition. As one of several small Christian colleges in the region, Faith College was difficult to differentiate from many of its competitors in 2007. Like several of its competitors, Faith was one of many sincerely evangelical institutions in the area known for its Christian atmosphere and tight community on campus. None of these institutions possessed the wealth or legacy to clearly outshine the other, forcing them all into the same market niche where they would compete for the same students. Lacking a significant differentiating factor, the institution had few compelling enticements for prospective students beside its large tuition discount. As a result, discount rates continued to climb until the institution had reached a precarious financial position (ADM-2).

In short, the marketplace was crowded, and Faith lacked a value proposition compelling enough to justify its price. Like many of its peers, Faith was struggling to attract students to its costly but relatively run-of-the-mill college. Those that it did attract were typically blue-collar students, not the academic elites that the institution needed to compete at the upper end of the market. If Faith were to survive and thrive, it needed to rapidly find a niche where it could sustain itself.

Faith’s first (unsuccessful) attempt at distinguishing itself was an effort to become even *more* prestigious. In essence, Faith embraced the ideals of prestige and professional norms by trying to play the legitimacy game better than anyone else. This mentality was most visibly embodied in the College’s development of a music conservatory. Begun in 2005, the program was staffed with truly exceptional musicians and promised to bring national attention to the institution. Faith decided that the best way to differentiate itself was to become even more elite than its competitors and invested heavily in the new initiative as a result.

However, the institution simply was not succeeding in this effort. Not surprisingly, the little-known music conservatory could not gain traction, leaving the Julliard-trained musicians without enough students to justify their place at Faith. Despite Faith’s best efforts, the pursuit of prestige simply was not working for the institution.

So instead of continuing to compete in that game, Faith changed the rules and pursued a completely different value proposition. Faith cut the underperforming program (and several others), using the savings to keep the institution afloat as it pursued its new direction: becoming an affordable Christian college. Rather than abandoning its traditionally blue-collar clientele, Faith embraced it and began owning its identity as a college of opportunity. Faith’s marketing team consequently shifted gears as it began talking about things like job placement rates and cost savings in its messaging to students. And rather than raising tuition to communicate higher brand power as many private colleges do (Townsley, 2014), Faith lowered its price—first by shaving a year off of its undergraduate program, and then by lowering tuition 9%. All of these decisions firmly reinforced Faith’s new value proposition—that of an affordable Christian college, not a highly elite liberal arts institution.

These bold decisions to clarify the institution's niche not only boosted enrollment through the institution's marketing efforts, they also galvanized support for internal decision-making. Once Faith committed to its value proposition of being an affordable Christian college, the decision to lower its sticker price or to reduce tuition for every consecutive year that a student remained enrolled became fairly straightforward choices. Since these decisions all clearly aligned with the institution's differentiating factor, choices that would be radical for another university became relatively simple for Faith.

The faculty and staff response to this niche mentality has also been strong. Rather than shunning the "illegitimate" choice to move down-market, faculty members at Faith believe "We need to be who we are. We're not a Harvard, you know, our test scores are what they are" (FAC-1). Attempting to compete as a prestigious liberal arts college was a losing tactic for Faith, and faculty and staff alike appreciate that the college is thriving now as a result of its bold choices. Rather than fighting for the same students that every institution is fighting for and forsaking its core demographic, Faith has now embraced its market niche as an affordable Christian college and succeeded as a result.

In summary, the final reason that Faith College was able to survive and thrive was its commitment to academic capitalism. By forging partnerships with local businesses, the institution was able to draw in critical resources and ensure that a critical industry remained in its town. By using advanced strategic analyses, Faith's leaders pruned the institution's curriculum and used cost savings to keep the college afloat. These same analyses enabled decision-makers to invest in programs that demonstrated demand in the near future, ensuring that sufficient enrollment was possible. Fueled by shared financial data about its programs, these decisions were made with remarkably little dissent from displaced faculty. Finally, the institution embraced a new value proposition as an affordable Christian college. After coming to terms with its blue-collar clientele and embracing this niche by pursuing affordability and career preparation, the institution was better able to attract students who fit well with the institution.

By forsaking the prestige game in favor of strong local partnerships, sound financial planning, and bold identify clarification, the institution carved out a unique place for itself on the higher education landscape that enabled it to attract the number of students it needed. As a result, the institution survived and is now able to provide an even more affordable education to its predominantly blue-collar students.

Lessons Learned from Academic Capitalism

Faith's example provides several insights that leaders and scholars should reflect on: the limited applicability of new institutional theory to small private institutions, the utility of academic capitalism for enrollment-driven schools, the importance of common data sets for group consensus, and the power of a clear value proposition for internal decision-making. Faith's story creates a valuable opportunity for examining these topics because of the potent ways they are each demonstrated within the institution's context.

First, Faith's example demonstrates that the dominant logic of the field is not always right. For the rich and famous institutions in our world, legitimacy and professional values are perhaps the best measure of success. After all, these institutions truly compete for research grants and wealthy donors, and prestige is a major draw for these constituents. And because of their history, notoriety, and wealth base, these institutions can actually succeed in this arena. The insights offered by new institutionalism (DiMaggio & Powell, 1983) thus provide a helpful framework for interpreting this world and making strategic organizational choices for these institutions.

But although the forces of new institutionalism in the field of higher education are powerful and pervasive, they do not necessarily provide a complete picture of reality—at least not for small, non-wealthy privates such as Faith. Humble institutions such as Faith rely much more on student enrollment than external subsidies, making differentiation much more critical to the institution's success than mimicry is. Thus, for Faith and other institutions like them, the niche-based strategy inherent in population ecology (Hannan & Freeman, 1977) is a much better predictor of their fate than new institutionalism.

Leaders of other colleges and universities like Faith would do well to examine their own assumptions about the world. Do their decisions about which programs to offer or which messages to communicate to prospective students demonstrate a bias for prestige and legitimacy at the expense of utility and student demand? Or do they recognize the competitive environment they face and attempt to blend academic ideals with market realities? By honestly locating their institutions in the higher education marketplace and assessing their alignment with that reality, leaders can determine the most effective strategy for their colleges or universities.

Many leaders of colleges and universities perhaps fear that boldly choosing a narrow market niche would deleteriously effect the institution due to the illegitimacy of such an approach, but those fears are likely overblown. Kraatz & Zajac's (1996) study of liberal arts colleges bears this fact out. They find that when organizations like Faith pursue market demands with their curricula rather than mimicking the elite institutions in the field, these colleges and universities actually succeed. But despite their findings and examples such as Faith's, the pervasive belief in the importance of prestige for these institutions remains still. Thus, while the dominant logic of the field remains dominant, it is not necessarily logical.

Second, Faith's narrative demonstrates the usefulness of academic capitalism for enrollment-drive colleges and universities. Unlike the upper echelons of higher education that can successfully compete based on prestige, organizations in the lower stratum of the market are much more dependent on niche strategy in order to meet their enrollment needs. Without name brands or significant external subsidies from governments or donors, these institutions must actively compete for a unique segment of the market if they are going to meet their enrollment goals. For this reason, connecting with local organizations, controlling costs, and analyzing markets fit squarely within the business realities that these entities face every day. While this mentality is not without some controversy in the field of education, academic capitalism aligns well with the free market forces that less-subsidized institutions experience.

Third, Faith's story demonstrates the importance of common data sets for cultivating group consensus. One of the most interesting aspects of this case study is the relative ease with which faculty and staff who would be inconvenienced by the many proposed changes supported these same decisions. The two most common explanations given for this abnormal behavior was social capital between administrators and employees (see Chapter 5: Social Capital) and the compelling nature of the data provided for decision-making. Faculty and staff members could see the numbers for themselves and largely came to the same conclusions that the institution's leaders did. As a result, they supported the difficult-but-necessary changes.

One could quickly surmise that the takeaway from this example is simply to give everyone access to more data. This would be an inadequate conclusion however, as it fails to grasp the true mechanism for consensus at work—that of shared sensemaking (Gioia & Chittipeddi, 1991; Weick, 1993). As described in previously (see Chapter 6: Urgency), senior leaders at Faith spent considerable energy in sensegiving for the institution's members, convincing them that a data-driven approach to program decisions was the appropriate strategy for the institution. Once Faith's employees adopted this belief as their own and were presented with data that seemed to point in a clear direction, they were internally convinced of the necessity for change. Thus, while data served as a tool, it alone was merely a larger piece of the sensegiving story at Faith. After all, senior leaders also had a hand in choosing which data to present. Had leaders chosen to justify programs based on student testimonials, faculty surveys, or peer benchmarks, other decisions may have been reached. Instead, the data they chose to present fit within the larger narrative of business-driven decision-making that the leadership was advocating for.

The takeaways for this point are thus twofold. First, common data sets are highly important for building group consensus. By sharing freely with individuals who would be impacted by the enacted changes, employees believed the decision-making process to be fair and equitable. Although the truths were sometimes inconvenient, they could recognize the basis for these choices firsthand. Second, sensegiving is integrally important to people's acceptance of change. By investing numerous hours into shaping the perspective of faculty and staff (and providing compelling supporting data for this narrative), change successfully occurred.

The fourth and final lesson learned from Faith's foray into academic capitalism is the power of a clear value proposition for internal decision-making. Once senior leaders realized that the institution faced significant long-term viability issues and looked alarmingly similar to its competitors, they began discussing what it would take to survive. These same leaders created a faculty and staff committee in 2009 to begin "reimagining" Faith as a unique and viable institution. What emerged from this group was a clear differentiation from its competitors in the form of a distinctly affordable Christian college.

This plan they created to clarify Faith's market niche was not just a marketing ploy—it was a substantive change to the institution's curriculum and academic calendar that would realize this vision. In other words, Faith's message to the outside world was not the result of a campaign created by an isolated marketing department concerned only with hit rates and click-throughs. Instead, their value proposition came from the core of the institution. The institution's message captured deep truths about the College that were reflected in its price, curriculum, student demographics, and delivery methods.

This fact bears noting because Faith's value proposition was clear enough to inform decision-making at every level of the institution. Rather than applying a label to the institution after the fact, Faith's vision swept through the entire institution and informed how Faith would fundamentally operate. Faith thus stood apart as an institution that had a clear sense of who it was and how it should act as a result.

In my experience at six different colleges and universities, I have never seen an institution with such a clear value proposition as Faith. Most institutions try to be all things to all people and continually struggle because they look too generic. Almost all small, private colleges have quaint campuses, small class sizes, and a relatively intimate sense of campus community. If those factors are an institution's only marketed selling points, then what differentiates it from any other college besides its relative proximity to a given student? Instead of marketing to prospective students based on these interesting-but-common facets of its identity, an institution could instead amplify the quirks in its own DNA or unique resources in its local setting to craft a compelling narrative around what it has to offer the world. The ecosystem of higher education would be greatly enriched by such a diverse collection of specialized institutions that no longer spend increasing marketing budgets shouting the same message at the same students.

Faith's story thus inspires us to choose bold directions for our institutions. Rather than fearing that we will isolate ourselves from some prospective students because we choose a clear niche, we should fear that we miss out on many more students because we appear so bland. Faith's narrative provides clear support for this strategy, at least in the case of small private institutions who are struggling to differentiate themselves in the marketplace. Many institutions would benefit from their organization embracing such a unique trajectory.

Conclusion

By adopting a mentality of academic capitalism, Faith was able to tailor its operations to fill a unique niche in the marketplace and survive. Faith's business partnerships, strategic analyses, and clarified value proposition provided unambiguous guidance for both its internal decision-making and external messaging. By actively partnering with critical actors in its local setting, increasing its sophistication with its core metrics, embracing its blue-collar constituency, and ignoring the societal norms of institutional elitism, Faith adapted to better meet its students' needs.

Faith's shift from a mindset of mimicry to one of active differentiation bucked the norms of the field but found success nevertheless. By adopting a mentality that aligned with the market that the institution was competing in, the College pursued a mission of educational opportunity that has boosted enrollment even while forsaking the ideals of elitism. Faith's bold pursuit of a niche demonstrates the possibility—and the importance—of differentiation for small private institutions.

Chapter 8. DISCUSSION & CONCLUSIONS

As most leaders within the field of higher education can attest, two things are clear: the rising cost of college is an increasingly important issue, and small private institutions without high levels of wealth or prestige must adapt if they are going to survive. Facing a multitude of issues such as increased competition, declining enrollments, rising costs, and growing dissatisfaction with student debt, these institutions need to consider how to become both more financially sustainable and more affordable simultaneously. This challenge is audacious for many and overwhelming for most. Nevertheless, at least one example of a successful change effort within the field of higher education provides a glimmer of hope for practitioners and scholars attempting to create such deep and meaningful change.

As all the previous chapters exemplify, Faith College is an example of that change. As an institution that became more affordable and financially stable at the same time through an innovative educational design and a bold market position, their change narrative is particularly instructive for the private sector of education. Although most institutions will not follow the same path they did toward three-year degrees, lower tuition, and refreshed academic offerings, the story of how Faith got there is nevertheless informative.

In essence, a combination of social capital, urgency, and academic capitalism made it all possible. Because of the president's deep relationships with faculty and the provost's wealth of experience, staff and faculty members at Faith trusted their leaders to take them into uncharted territory. Social capital alone was not sufficient, however; a high level of urgency was also needed. These leaders dedicated significant attention toward generating that urgency by shaping the sensemaking of the organization through regular meetings, data-driven presentations, and the exogenous shock of the Great Recession. This urgency was further reinforced as the attraction-selection-socialization-attrition (ASSA) process squeezed out nonbelievers and made room for supportive newcomers, unifying the organization's culture along the way. Finally, the institution's embrace of academic capitalism built critical local partnerships, guided major curricular changes, and enabled the institution to choose a bold niche within its market. This combination of change processes demonstrates the complex and multi-layered efforts that a transformation of this magnitude requires.

These transformations roughly fell into three different categories of change: scientific management, social cognition, and cultural change (Kezar, 2014a). In keeping with a scientific management paradigm, Faith's leaders critically examined the trends of both the economy and the institution's programs in order to align the institution's curriculum with the most fruitful future opportunities. From a social cognition standpoint, these leaders also shaped the realities of the organization's members through sensegiving. And finally, cultural change occurred as the ASSA process increased the culture of urgency and as a business mentality became the cultural norm. Faith's story thus illustrates an interesting interplay of three very different kinds of change over a multi-year period.

This study provides a detailed description and analysis of these processes by diving deeply into Faith's story from a mixed-methods standpoint. By interviewing faculty, staff, administrators, and senior leaders, this study captures a broad spectrum of perspectives that combine to create a coherent-yet-nuanced narrative. Validating these qualitative data with institutionally-generated self-studies, surveys, press releases, financial metrics, and books, this dissertation triangulates multiple data sources to create a full-bodied picture of Faith's story.

This case study thus provides several contributions to the field of higher education. As this chapter shows, this dissertation offers higher education scholars a nuanced examination of social capital and structural inertia that lends new insight into these constructs. Likewise, this study affords practitioners an opportunity to reflect on how urgency, social capital, and academic capitalism all interplay in their own organizational contexts. Finally, researchers hoping to advance the study of organizational change can find at least three new directions as a result of this study by looking at retroactive sensemaking, mergers, and the challenges of sustaining change. Both scholars and practitioners will thus benefit from the “concrete universals”—the detailed, contextual insight—that this case study provides (Erickson, 1986, p. 130).

Implications for Scholars

Faith’s story generates several important implications for theory. First, their case demonstrates how the two different kinds of social capital can be exchanged and transferred. Second, their narrative shows how structural inertia can be overcome by creating urgency, social capital, staffing flexibility, and a mentality of academic capitalism. Finally, their example validates several core concepts of structural inertia that relate to new and small organizations.

Blurring the lines of social capital. First, Faith’s use of social capital to create change suggests two different mechanisms of social capital that scholars have not explored up to this point: *exchange* and *transfer*. Social capital theorists traditionally describe capital as being composed of either weak or strong ties, with weak ties being created by access to broad networks and resources while strong ties are developed by in-group trust (Adler & Kwon, 2002). According to the theory, these ties and their consequent benefits exist in a network of relationships that the focal actor alone can access. However, as this study suggests, the two different types of social capital are neither completely distinct nor accessible only to the person who cultivated them. Instead, they can be *exchanged* one for the other and *transferred* from one person to another.

Bill Jameson provides a cogent example of the exchange process. When Jameson arrived as Faith’s provost in 2007, he came with immense human capital—a broad background of experience within higher education that could be conceptualized as an embodiment of weak ties. However, those weak ties soon converted to strong ties—a deep sense of trust and respect within the institution. In essence, because of his impressive resume and personality, people trusted him quickly and empowered him to lead. Unlike the president at the time, Jameson had not invested the time needed to generate this kind of social capital. Even still, it came. His example suggests that there are some conditions under which significant time does not need to be invested in order for strong ties to develop; instead, perhaps weak ties or human capital can kick-start the process. By converting his weak ties to institution-wide credibility, Jameson demonstrated that the different kinds of capital are fungible—they can be exchanged for each other. This is a process that I could find no precedence for in the social capital literature—one which should be examined in greater depth to understand the conditions under which such an exchange can occur.

Similarly, Ron Everly, Faith’s president in 2007, showed that social capital can be *transferred* to other people. After building two decades’ worth of trust within the institution, Everly had an abundance of strong ties within the organization. Jameson garnered instant respect upon arrival and would develop his own strong ties as a result, but that respect alone would not be sufficient to push all his ideas through as they were so contrary to the status quo. However, Everly’s immediate and ongoing endorsement of him conferred an additional level of social capital to him, enabling the two of them to catalyze their change efforts. Everly’s endorsement shows that social capital is commutable—it can be transferred to other people.

These two examples contradict some of the simplistic ideas of social capital theory and evidence a need for further extrapolation of their mechanics. At the time of this writing, I found no literature in the field that described the exchange and transfer processes evidenced in this case study. Clearly, this is possible, though past research has yet to examine these mechanisms in detail. Social capital theory thus sits poised for expansion and clarification of its core concepts and the ways they interact with each other.

Overcoming structural inertia. Faith's story also demonstrates how the formidable barriers of structural inertia can be successfully counteracted. As Hannan and Freeman (1984) describe, colleges and universities attempting to change are often held captive by limited attention, political division, and sunk costs. While Hannan and Freeman devote a great deal of time to explaining how and why inertia is created, they do not describe mechanisms for overcoming it. This dissertation begins to fill this void by capturing Faith's story of successful inertia counteraction.

First, by cultivating a substantive level of urgency among faculty and staff members, attention was focused on the goal of adapting to survive. This focus enabled the institution to exclude many of the competing goals that vie for attention in organized anarchies and work together toward a common aim. Second, the high levels of social capital that the two chief leaders possessed enabled them to create unusually strong cooperation between both sides of the institution, counteracting the historic distrust and division that typically plagues the faculty-administration relationship. And finally, the shared embrace of academic capitalism unified the institution's different constituents in the organization-wide transformation into an affordable Christian college. All these elements of structural inertia were thus overcome by innate characteristics of the institution or strategic choices that its leaders made.

Faith's story thus provides fodder for further examination into the mechanics of overcoming structural inertia. This unexplored aspect of the forces of structural inertial outlined by Hannan and Freeman (1984) is clearly needed in today's complex environment, yet a comprehensive theoretical solution to this problem is lacking in the literature. Faith's example provides a starting place for examining how inertia can be overcome, but their narrative is far from a prescriptive, theory-driven roadmap for all organizational types. Additional investigation into the antidotes for structural inertia would thus prove valuable for both leaders and scholars.

Leveraging low inertia. The last lesson that Faith's story possesses for scholars is the combination of nimbleness and vulnerability that young, small organizations possess. Because Faith lacked several decades on most of its chief competitors, the institution was less constrained by history or external constituents than many older organizations are. Additionally, its smallness made change a simpler process than it would have been for a more complex and diverse organization. The absence of these constraints made Faith more likely to change. At the same time, its youth and smallness actually make it *more likely to fail* in this change effort. While the lack of the aforementioned constraints creates flexibility, it also means that these institutions are less insulated from environmental threats than their older, larger counterparts. This paradox reminds scholars of the great need for research on this sector of higher education.

As described in detail earlier (see chapter 1: Introduction), the combination of organizational youth and smallness is a helpful-but-insufficient condition for organizational change. The freedom that comes with less history and organizational complexity makes change a simpler process; however, it stops far short of being an outright catalyst. Many institutions just as small and new as Faith struggle mightily yet fail to change as it did. Although these organizations are just as exposed to environmental threats as Faith, they lack some of the key components for change described in this dissertation. Thus, while these contextual factors may prove to be advantages in the change process, they alone cannot trigger a transformation.

Additionally, youth and smallness do not guarantee success—in fact, quite the opposite is true. The theory of structural inertia actually argues that these two factors are *disadvantages* for successful change. As Hannan and Freeman (1984) assert regarding size, "small organizations are assumed to be more likely than large ones to enter the state of reorganization but are also more likely to exit this state by death" (p. 159). Factors like youth and small size make organizations more likely to change *and* more likely to fail—a conundrum, to say the least.

Stinchcombe (1965) and others define the problem of vulnerability due to youth as the "liability of newness" (p. 148). Simply put, because younger organizations lack the same legitimacy and networks as older organizations, they are more likely to fail than older entities. Faith, for instance, achieved a state of emergency in part because it lacked critical resources in the form of donors, legacy students, community partnerships, and so forth that older colleges may have ready access to. Even though the organization is 75 years old, it still falls far behind its competitors in terms of its history and notoriety. Without the large alumni base or historic name of an older organization, the institution was more likely to experience environmental threats than well-established institutions with access to these resources.

Small organizations face many of the same threats of new organizations. Because of their complexity and resource-base, larger organizations have the ability to absorb environmental shocks to a greater degree than smaller organizations can. According to Hannan and Freeman (1984), "small organizations have small margins for error because they cannot easily reduce the scope of their operations much in response to temporary setbacks" (p. 159). As a result, small organizations are also more likely to experience fierce threats from outside.

Faith also fits this description. As a small organization, the loss of a few hundred students or a million dollars was significant enough to initiate sweeping change within the organization for fear of closure. Faith's size made it more sensitive to variation in the environment and thus prompted radical change.

Clearly, Faith was both more likely to change because of its youth and smallness, but will it fail as Hannan and Freeman (1984) also suggest? This question is one that cannot be immediately tested in Faith's case. Although the outlook for the institution is certainly positive at this point, challenging to some degree the assumption that these organizations are more likely to fail, only time will tell if the change effort produces long-lasting positive implications or not. It is entirely possible that Faith's choices will undermine its academic credibility or gut its core financials to the extent that the institution will not survive. After all, even several of the "great" companies that Jim Collins (2001b) profiled in his book *Good to Great* experienced a sharp decline in the years following their feature in his book (prompting another book by Collins, *How the Mighty Fall*). Hence, it may be a decade or more before the true implications of these radical changes can be measured. Faith's long-term viability thus prompts interesting future questions for students of structural inertia.

Regardless of the ultimate fate of Faith, their story reminds researchers of the great volatility that small private institutions will face in coming years. Due to its innate characteristics, this sector of higher education will undoubtedly face tremendous challenges as the market continues to become more competitive and as dissatisfaction with student debt continues to rise. These nuanced challenges beg for greater support in the form of meaningful research.

Implications for Practitioners

The themes of Faith's story similarly prompt several questions for practitioners looking to create change. First, has urgency truly permeated the organization? Second, is social capital strong between leaders and followers strong enough to weather the storms that the change agents will face? Third, how can academic capitalism benefit the organization? And finally, how does one navigate the tension between changing too much and not enough?

Urgency. Creating a sufficient level of urgency within an organization is imperative for change. As Kotter (2007) notes, more than half of organizational change efforts fail because the level of urgency is not high enough. Employees at Faith literally thought the College would shut its doors if not for radical change; that is the embodiment of urgency. Leaders looking to spearhead similar kinds of change will need similar levels of urgency (ideally, long before the institution is actually about to go under). Achieving urgency under these conditions is thus a challenge requiring artful sensegiving on the part of leaders. After all, if at least 75% of the organization's management does not feel a compelling need to change, change is unlikely to occur (Kotter).

Achieving this level of urgency through sensegiving requires consistent communication. Kotter (2012) states that most leaders under-communicate the change message by a factor of 10 or 100. This was not an issue at Faith, as senior leaders consistently communicated extreme urgency through the meetings they hosted and the messages they shared. It comes as no surprise then that President Everly was asked by employees to "do something encouraging" instead of talking about the crisis (EVERLY); leaders at Faith were unusually persistent in hammering home their message of urgency. Their example is instructive for leaders attempting to accomplish similar things.

But their messages to the faculty and staff were not simply clarion calls—they were instead transparent, data-driven forums that proactively educated faculty and staff members about the core metrics of the institution. Because Faith's employees could see and interpret the numbers for themselves, they could understand the recommendations they were being given and could even come to the same conclusions themselves.

This fact is illustrated by several comments that faculty members made. One faculty member stated that after hearing the president's explanation of the facts and figures, the decision to cut the College's beloved Music program "was really a no-brainer" (FAC-3). Another faculty member who served on the committee that assessed each of the institution's programs recommended that his own program close after seeing the numbers. Another described the decisions as being "black and white" (FAC-6) after the data were shared. All of these sentiments reflect the power and importance of clearly communicating critical data when making difficult decisions.

The transparency of these data deserves special mention for this reason. As an administrator within a university myself, I was struck by the bluntness of the institution's self-study. From my perspective, sharing the teaching loads and enrollments of each program with every member of the organization was bold; listing the revenue and cost of each program was unheard of. I was personally sobered by the report, wondering what I would do if I were a faculty member responsible for one of their academic programs. Consequently, I can only imagine the consternation, urgency, and clarity the report caused within Faith.

When change requires the cooperation of diverse stakeholders with their own agendas and goals, transparent communication is essential for creating unity and energy. Far too many proposed change initiatives fall flat because decision-makers and implementers have starkly different access to the critical data driving the change. To borrow an expression from the writing world, leaders should "show, not tell" their followers that change is necessary by providing these data in an accessible way. Doing so creates unity throughout the organization by focusing everyone on the same core metrics. Consequently, efforts are aligned to improve those metrics, counteracting the competing goals of the organization. This alignment process is clarified even further when a high level of urgency creates a sense of expediency around these goals. And in Faith's case, employees also became willing to endure difficulty and inconvenience to accomplish these goals. Creating unity and urgency through clear data is thus a lesson leaders should take to heart.

Social capital. The second question this story prompts for practitioners is: how can leaders create the level of social capital they need for change? As this story illustrates, social capital can be created in multiple ways. Everly developed his enduring strong ties because of his stability, relational orientation, and humility. In contrast, Jameson's trust came as a result of his experience and legitimacy as an administrator, in essence converting his weak ties into strong ties. Together, they pushed through changes because faculty and staff members trusted both who they were as people and the direction they provided as leaders.

Faith's case is obviously not replicable in some aspects, as few institutions looking to change will have a well-respected president of two decades waiting in the wings for an innovative provost to come on board. Nevertheless, their example does reemphasize the importance of investing deeply in relationships across the traditional silos of academia as well as the necessity of having the right expertise at the helm.

Having the right expertise is a factor worth emphasizing in detail. After all, Everly possessed a high level of social capital with the faculty for some time, but Faith remained largely unchanged for years nonetheless. It was only when Jameson came on board as provost that changes really began in earnest. As social capital theory predicts, strong ties alone cannot create transformational change—the outside perspective associated with weak ties provides the spark needed for innovation (Uzzi, 1996).

Likewise, proven expertise builds trust within organizations. Jameson's stock within the organization rose even further after the initial changes he pioneered were successful, and he received even greater credibility after terminating administrators who were seen by many as being ineffective. Having likeable people at the top is essential, but so too is having competent and effective leaders. If implemented well, difficult decisions such as terminating employees can actually increase trust and respect rather than decrease it. Faith's story reminds us that trust has both a relational and a professional dimension.

Academic capitalism. Third, this study demonstrates how academic capitalism helped enable one organization to adapt and survive. Although some colleges and universities will shy away from the business mentality that the institution adopted, all institutions should develop such a clear understanding of their own financial metrics if they are to continue to function effectively. Grappling well with these data enabled the institution to make tough choices with consensus, a feat not to be understated.

Perhaps more importantly, Faith's development of a crystal clear value proposition sets a standard for other institutions to do likewise. Colleges and universities are organized anarchies with notoriously convoluted goals (Cohen, March, & Olsen, 1972), a fact that makes a unified strategic direction a difficult thing to achieve. However, adopting a bold value proposition such as Faith did to become *the* affordable Christian college clarified purpose and direction for its diverse constituents while attracting increasing numbers of students to the institution. Leaders of other organizations should take note of their success in light of these proactive choices.

Leaders looking to cultivate the same business mentality and clear value proposition within their organizations should learn from the words and deeds of Faith's leadership. Key figureheads of an organization can effectively develop cultural values in others by consistently living out those values before their employees. Likewise, if that value is to be a core aspect of the institution's culture, the organization's rituals and practices should reflect it (Kerr & Slocum, 2005). Faith developed an academic capitalism mentality because that worldview was embodied by its leaders, intrinsic in its decision-making apparatuses, and ingrained in community meetings. By regularly examining exactly how the institution fared financially, which majors were in demand, and which programs were making and losing money, organizational members were encouraged to adopt a business mentality themselves. By demonstrating these values in symbolic settings, senior leaders shaped the culture of the institution and focused their employees' attention on shared goals and metrics. By instilling the business mentality in various processes around the university and deepening that mentality through active sensegiving, Faith's leaders were able to create a culture of academic capitalism.

Core versus peripheral. The final takeaway for practitioners is the question of what is core and what is peripheral in their own organizations. One of the major tensions that any leader must wrestle with when considering substantive change is the balance between changing too much and not enough. Change leaders must ask *how much should we change, and what should be on the table? How can we change and adapt while still remaining true to our core essence as an organization? How do we know when we have gone too far, and how do we know if we have not gone far enough?* These tensions between adaptability and fidelity, between preserving the core and flexing the peripheral, weave through the process of substantive identity change in organizational settings (Kreiner, Hollensbe, Sheep, Smith, & Kataria, 2015).

On one hand, change leaders must be careful not to change too much. Facing the temptation to remain alive at all costs, some organizations will dismiss aspects of their identity that are truly core to who they are. As they walk away from values, products, or processes that once made them distinctive, many observers will conclude that the organization has “sold out” by altering its essence. The organization may survive for a time following these changes, but what remains is a mere imitation of the former entity, a far cry from what many would consider to be the real organization.

But on the other hand, change leaders must be careful not to change too little. Perhaps even more dangerous than not changing at all is an organization that changes just enough to alleviate any urgency that its constituents feel. As its leaders congratulate themselves on their accomplishments, employees go back to business as usual even as organizational death is closer than before. Change of this type is akin to a homeowner remodeling his kitchen while his house is on fire. The changes he invested in were beneficial overall; however, they fail to address the most critical needs of the situation and will be for naught if the house burns down. And because the homeowner diverted attention away from fighting the flames, the fire has continued to grow and will now require even more effort to extinguish.

So how do change leaders know when they have gone too far? And by the same token, when do they know if they have not gone far enough? These two questions reflect an enduring tension for organizations in any state of adaptation. Every organization weighing the costs and benefits of major change must discern what is truly core (and must be protected at all costs) and what is merely peripheral (and may be discarded if necessary). How does an organization and its leadership make this decision?

In Faith's case, this decision was made by the senior leaders who created the Ad Hoc Committee. Tasked with reimagining Faith College for the current market conditions, the committee was given six "non-negotiables" by senior leaders that should undergird any iteration of Faith: "the authority of Scripture, the value of biblical community, the necessity of transformative education, the benchmark of high quality, the experiential context of practical & applied learning, and the promise of affordability for families" (Faith College and Seminary, 2016b). These grounding priorities were what Faith's leadership defined as core; all else (including the length of the semester, the time to degree, the pricing structure for students) was up for discussion. Consequently, Faith changed those peripheral aspects significantly to better accomplish its core priorities. Thus, while some outsiders may question the fidelity of Faith's mammoth changes based on the belief that it sacrificed integral aspects of who it was, others could argue that these reconfigurations actually preserved the core by enabling the institution to focus its efforts and recruit enough students to survive.

So for other organizations considering sweeping change, what should they protect as core and what should they consider peripheral? Clearly, this question does not have a universal answer. Each organization must carefully weigh this tension in light of its own leadership, history, culture, and market niche. However, this tension in itself provides a valuable opportunity for leaders at every level to truly grapple with what makes their organization distinctive and what they should consequently focus on. This process of clarifying the true character of the organization will hopefully enable leaders to invest greater resources in strengthening this core rather than diluting limited resources across competing institutional priorities.

Implications for Future Research

Finally, Faith's story raises at least three ancillary issues worth studying in future research. While this study answered several important questions asked by higher education in general and leaders of small, non-wealthy, private institutions in particular, it also prompts additional research questions that lay outside the core focus of this dissertation and its literature. In particular, students of change are prompted to build on this study by examining the issue of retroactive sensemaking, institutional mergers, and methods for sustaining radical change within the field of higher education.

Retroactive sensemaking. First is the question of retroactive sensemaking: do employees at Faith describe the change process in rosy terms simply because it worked? This question is certainly not foreign to qualitative researchers; after all, the apparent contradiction between how people experience the world and how people remember the world has been well-documented in the field of psychology (Kahneman, 2013). However, the role that this phenomenon plays in change studies is largely unexplored. For instance, the faculty's endorsement of administration is undoubtedly colored to some degree by the knowledge that the radical changes they spearheaded actually worked, and this is a factor that a study built solely on post-mortem interviews can never fully counteract.

This dissertation thus took practical steps to mitigate this bias by pursuing data sources other than interviews. Fortunately, the institution documented the change throughout the process by surveying faculty and staff during the transition. One particular survey of the campus, conducted a few months after the initial *Reimagine* proposal was released, demonstrates that faculty and staff resistance was surprisingly low throughout the process. When asked about their satisfaction with the proposed changes to the calendar and credit hour requirements for students, less than 15% of faculty members indicated they were dissatisfied or disagreed with the proposal. These data points support the narrative of an agreeable faculty who trusted its senior leaders.

In order to further guard against bias, I also sought out conflicting reports of the process by interviewing faculty members who were terminated or who chose to retire amidst the transitions. These vantage points ensured that the study did not fall prey to survivor bias by purely relying on the perspectives of people who chose to stay at Faith (and were thus more likely to support the direction of the institution). While many of these faculty members indicated dissatisfaction with the changes to some extent, these participants likewise indicated that the majority of the faculty was supportive and followed senior leaders throughout the ordeal.

Nevertheless, future research could benefit from change studies conducted *in situ*, following the process as it is unfolding to capture perceptions as they change in response to the success or failure of the initiative. This perspective is one that I pursued at an organizational level, asking how sensemaking shifted as participants experienced sensegiving, the Great Recession, etc. However, an individual-level study of people within this kind of organizational setting could greatly complement the more macro-level study that this dissertation is and could successfully combat any bias of retroactive sensemaking.

Mergers. A second area for further study is the issue of mergers. Many institutions with the same sort of characteristics as Faith will face the possibility of closure in upcoming years. In fact, Moody’s now predicts that institutional closures will triple by 2017 (Moody’s, 2015). However, many colleges and universities lack the expertise or institutional will needed to execute a radical change like Faith has undergone to prevent closure. Instead, these institutions will likely consider merging with another college or university to remain viable long-term. By consolidating resources and reducing overhead expenses, mergers offer the hope of significant reductions in costs without sacrificing access to students. However, college mergers are incredibly difficult and create their own combinations of strategic choices, cultural collisions, and unintended consequences (Osland & Ankeny, 2007). Studies of these processes as they unfold would provide valuable insight for the number of institutions considering this as an option.

Sustaining radical change. Finally, the higher education literature would benefit greatly from research on sustaining radical change. Faith College obviously changed dramatically in a short period of time, but it remains uncertain whether or not the institution will be able to sustain this tremendous pace of reinvention. Three major threats face the institution now and are worthy of further research in the field of higher education: burnout, succession planning, and norm violation.

First, employees at Faith demonstrated many early signs of burnout. Faculty and staff members commented regularly about the increased hours that this evolution has required and the challenge of keeping up with a president that never sleeps. The increased faculty-student ratio undoubtedly places more demands on fewer people as well, further increasing the fraying energy levels of the College's personnel. Faith may begin to face some serious issues as it tries to sustain this fast-paced change with a smaller group of people who are already stretched thin, and further research could inform their efforts. Research on this topic within the higher education is lacking (Watts & Robertson, 2011), especially under conditions of tremendous change.

In addition to understanding burnout, succession planning is another aspect of sustaining change that both Faith College and higher education research should grapple with. Jameson was clearly the catalyst for change at the institution, and he remains a flywheel of energy and ideas as Faith continues to evolve. His outsized role in the reinvention begs the question of what comes next. Is the culture of change cemented within Faith, enabling the organization to continue to evolve after its figurehead has retired? Will the institution's next president need to be as dynamic and experienced as Jameson (and if so, can they find that person)? This question is one that institutions across the spectrum musts struggle with, as the majority of college presidents are rapidly approaching retirement age (American Council on Education, 2013) and succession planning within higher education are still a relatively new phenomenon (Patton, 2013). Research on this topic is lacking, but it is especially necessary for colleges attempting to sustain significant change from one presidency to another.

Norm violation is the final aspect of sustaining change that will pose a problem for Faith and is worthy of further study. Faith was able to ignore the norms of the field (embodied in the worldview of new institutionalism) when it adopted a mindset of academic capitalism (embodied in the worldview of population ecology). That sequence of decisions created immediate, positive results for the institution in the form of increased enrollment (and subsequently, increased revenue). But just as new institutionalism would predict, anecdotal evidence suggests that those same decisions have also elicited disapproval from Faith's peer institutions. The question now is: what are the long-term effects of violating these norms? Will Faith's decisions ultimately be validated by its peers as they observe the positive benefits of the institution's choices, or will the institution receive greater disdain as it persists in its counter-cultural direction? Are there any things Faith can do to mitigate these negative perceptions? And if not, will the negative ramifications of poor peer evaluations severely impact Faith's viability? Although some studies have explored the consequences of 'illegitimate' choices (Kraatz & Zajac, 1996), more research is needed on the long-term effects of these decisions.

Future research could speak to each of these three aspects of sustaining change. First, future studies should examine how institutions like Faith can undergo massive organizational shifts while still preserving the people so critical to the ongoing well-being of the institution and the execution of its mission. Second, additional case study research on successful leadership transitions could provide some insight as to the optimal succession planning model for institutions changing at a pace similar to that of Faith. And finally, examining the long-term implications of norm violations as well as the optimal strategies for managing public perceptions could lend great benefits for institutions looking to make and sustain counter-cultural choices. For Faith and other institutions attempting to change significantly, answering these questions with credible research is a major need.

Conclusion

Faith College's story is one of drama. A little-known institution, sensing it is on the verge of extinction, embarks on a radical journey to reimagine itself with the hopes of becoming more affordable for its blue-collar students and more financially sustainable for future generations of those students. Its combination of insightful and trustworthy leadership, a culture of academic capitalism, and an institutional context of low structural inertia enabled it to become affordable and financial viable at an incredibly rapid pace. This organization charted a new path for itself within the field of higher education. As such, it sets a compelling example by demonstrating that the forces constraining higher education are challenging, but not impossible, to overcome.

Faith's narrative is thus instructive for all kinds of organizations. Although larger, more complex colleges and universities may face more severe political battles or wrestle with more numerous competing priorities, the process of generating urgency and social capital still remains largely the same. Likewise, cultivating a clear value proposition that pervades every level of the organization is a goal that all institutions should strive for. Leaders of all organizations should thus take note of the bold and creative way that this organization responded to its own set of challenges by venturing out into the unknown.

Faith's story inspires us to consider bold new ways to make college affordable for students and viable for students to come. For both scholars and practitioners, its revolution serves as an example of what effective institutional leadership can accomplish through considerable creativity and self-examination. Faith's accomplishments demonstrate that change *is* possible, that an institution committed to transformation can affect its own destiny. Beyond the considerable insight offered by its change processes, leadership tactics, or business model, Faith College's remarkable example provides us with one thing that higher education needs most dearly: the courage to reimagine college.

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APPENDICES

Appendix A: Interview Protocol

Thanks for making time for me today. As a reminder, I am interviewing you because of Faith's dramatic change over the past few years. I'd like to hear about how and why your institution pursued this strategy.

Our conversation should take about an hour. I'll be recording it and will transcribe it later. Ok? Let's begin.

1. How long have you been at the institution?
2. Please describe the change process.
    a. What are the resources, policies, or mechanisms that makes it possible?
    b. Was a particular person or group of people involved with leading this change?
3. How did your institution finance the change?
4. Are there any key partnerships that have made this possible?
5. Are there any pedagogical or curricular choices that have made this possible?
6. Are there any programmatic choices that have made this possible?
7. Are there any facilities choices that have made this possible?
8. How long did it take?
9. What had to happen in order for the change to occur?
10. What kind of resources were necessary for this change?
11. Was this change in keeping with the institution's identity?
12. Noting that this is rare for an institution of modest resources, how do you explain the fact that your institution is this way? What makes Faith different?

Thank you so much for your time today. Is there anything else you think I should know that we didn't talk about today? Do you have any questions for me?

Again, thank you for your time. Take care.

Appendix B: Recruiting Materials

Initial email/letter/phone call script

Dear <name>,

My name is Josh Wymore, and I am a doctoral student in Higher Education at Penn State. For my dissertation, I am conducting a study entitled "College Reimagined: A Study of Radical Organizational Change." For this study, I am examining small, private colleges and universities that have changed dramatically in recent years. In short, I would like to spend some time with you to understand what aspects of your institution's history, culture, markets, or leadership enable these outstanding outcomes. My hope is to profile your institution to understand what's occurring there so that leaders of similar schools can learn from your example.

Would you be available for a conversation via phone in the coming weeks? If so, you can most easily reach me at JoshWymore@psu.edu. Your assistance would be incredibly helpful in understanding what makes Faith unique. Thank you for your time, and I look forward to hearing from you soon.

Josh Wymore

Student | Higher Education Ph.D. Program

The Pennsylvania State University

JoshWymore@psu.edu

Ph: 254.218.3962

Follow-up email/phone call script

Dear <name>,

Last week I sent you a <letter/email> requesting your help in completing a study on institutions that have changed dramatically in recent years. As you might recall, I'm hoping to profile these colleges and universities in my dissertation so that leaders around the country can learn from your example. To that end, I'd like to begin by spending some time with you over the phone to understand exactly how Faith has become so affordable. Would you be available for a phone interview in the coming weeks for an hour or so? I'd greatly appreciate your help in my research, and I hope that the results of my dissertation could also benefit your institution.

Thank you for your time, and I look forward to hearing back from you soon.

Josh Wymore

Student | Higher Education Ph.D. Program

The Pennsylvania State University

JoshWymore@psu.edu

Ph: 254.218.3962

Confirmation email

Dear <name>,

Thank you very much for agreeing to participate. Our conversation should last between 30 minutes and one hour. With your permission, I'll be recording this conversation in order to most accurately capture your thoughts. Finally, the recording program I intend to use for this call requires that you call me instead of vice versa.

If these details work for you, then we will move forward with our conversation as planned. Just so we're clear, I have you scheduled for a conversation at <date and time EST>. You can reach me at <phone number>.

Again, thank you in advance for your help. I look forward to our time together.

Josh Wymore

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The Pennsylvania State University

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Appendix C: Program Review

Faith College and Seminary
Academic Program Evaluation – Fall, 2007
Undergraduate Programs
Program X*

Internal/Historical Comparisons

Number of Majors

	'00	'01	'02	'03	'04	'05	'06	'07
MAJOR #1	20	15	25	20	22	28	25	33
MAJOR #2	52	61	73	98	86	76	71	59
MAJOR #3	34	36	37	37	35	41	49	49
MAJOR #4	14	22	18	21	20	24	23	17
Total	120	134	153	176	163	169	168	158
% of Student Body	14.17	15.3	14.99	17.31	16.87	18.59	18.3	16.7
% of Total Credit Hours	11.08	10.43	10.98	11.31	13.16	12.14	11.84	

Average Class Size

2007-08 Course	Size
GHI	8
ABC	30
DEF	21

Classes with 35 or More

Year/Term	Course	Count
0607 - Fall	ABC-110-A	54
0607 - Fall	ABC-110-B	50
0607 - Fall	ABC-110-C	36
0607 - Fall	ABC-210-A	41
0607 - Fall	ABC-417-A	41
0607 - Fall	DEF-110-A	36
0607 - Fall	DEF-110-B	45
0607 - Fall	DEF-323-A	37
0607 - Spring	GHI-160-A	132
0607 - Spring	ABC-230-A	46
0607 - Spring	ABC-234-A	43
0607 - Spring	DEF-210-A	41

*I coded all programs and majors with psuedonyms to protect sensitive data. The original report did not.

Appendix C: Program Review

Teaching Workload

	'00	'01	'02	'03	'04	'05	'06
Student Credit Hours Taught: Lower Division	1356	1503	1632	1551	1551	1621	1326
Student Credit Hours Taught: Upper Division	683	623	908	895	1141	1034	977
Student Credit Hours Taught: Totals	2081	2126	2540	2446	2692	2655	2303
% of Credit Hours Taught by Faculty: Contract	84	70	68	69	69	70	67
% of Credit Hours Taught by Faculty: Non-Contract	16	30	32	31	27	30	33
FTE Students Taught: Lower Division	45.2	50.1	54.4	51.7	51.7	54.04	44.2
FTE Students Taught: Upper Division	22.77	20.77	30.27	29.84	38.04	34.47	32.57
FTE Faculty: Contract	2	2	2	2.5	2.5	2.5	2.5
FTE Faculty: Non-Contract	0.75	0.88	1.13	1.25	1.13	1.29	1.54
Workload Ratios: Student Credit Hours/FTE Faculty	390.17	369.24	405.87	326.1	371.52	349.95	285.58
Workload Ratios: FTE Students Taught/FTE Faculty	26.12	24.61	27.05	21.74	24.77	23.33	19.04

Fiscal Information

	'00	'01	'02	'03	'04	'05	'06	'07
Cost of Instruction: Direct Instructional Expenditures	138,268	133,393	158,059	147,456	188,871	185,222	186,926	197,230
Cost of Instruction: Direct Expense/Student Credit Hours	77	64	74	58	77	69	70	86
Cost of Instruction: Direct Expense/FTE Students Taught	1,153	957	1,115	871	1,158	1,032	1,056	1,285
Revenue Measures: Earned Income from Instruction	591,339	728,883	782,757	1.00 mil	1.05 mil	1.26 mil	1.19 mil	1.16 mil

Appendix C: Program Review

Revenue Measures: Earned Income Instructional Expense	4.28	5.46	4.95	6.78	5.58	6.81	6.37	5.92
Revenue Measures: Earned Income from Instruction (Discounted)	409,566	504,755	564,709	735,637	806,566	960,372	893,123	807,068
Revenue Measures: Earned Income(Discounted)/Direct Instructional Expense	2.96	3.78	3.57	4.99	4.27	5.18	4.78	4.09

External Comparisons

National and Local Graduation Trends
Interest from High School Students (Number of ACT Takers)

	2007
National	28,512
% of Total	2
Statewide	216
Total	2

Job Outlook

~According to the Bureau of Labor Statistics, overall employment of JOB #1 and JOB #2 is expected to grow faster than the average for all occupations through 2014. Employment for JOB #4 and JOB #5 is expected to grow about as fast as the average for the same period.

~Because of relatively attractive salaries and benefits, the number of qualified candidates exceeds the number of job openings in CAREER #1 and in CAREER #2—resulting in increased hiring standards and selectivity by employers.

~While job prospects will vary with location and specialization, opportunities generally should be very good because the number of job openings that arise should exceed the number of graduates of MAJOR #2 programs.

~Of the 27 graduates coming from this department in 2006 having responded to the career survey of recent graduates, 15 (55%) are employed full-time in the field, seven (26%) employed full-time out of the field, and 10 (37%) employed part time. 12 (44%) are attending graduate school. Of the three MAJOR #1 Majors (reported separately) two are employed full-time in the field, and one is employed full-time out of the field.

Competition

Institution	**Program Equivalent**
Taylor	Majors in MAJOR #3 and MAJOR #4
Cedarville	Majors in MAJOR #1, MAJOR #3, and MAJOR #4
Indiana Wesleyan	Majors in MAJOR #1 and MAJOR #3

Appendix C: Program Review

Looking Forward

Most significant strengths

All full-time faculty members have doctoral degrees.

All faculty members have earned their living in the field at this point.

The department is consistently either the largest or second largest in terms of majors.

non-general education courses.

Other Christian colleges tend to not offer MAJOR #2 undergraduate degrees, including all major competitors.

The department's graduates are accepted into and excel in graduate programs.

Most significant weaknesses

The additions of [two faculty members] have solved most of the department's problems related to covering classes and advising.

student secretaries.

Most significant opportunities

this area.

The need for these professions continues to grow, as the challenges of the world continue.

Most significant threats

None

Preliminary Recommendations

MAJOR #1

Discontinue the program.
Continue as is.
Continue, but freeze enrollments.
X Continue, but reduce costs.
Continue, but narrow the focus (fewer options or locations).
Strengthen the curriculum to maintain competitive position.
Develop the program rapidly (faculty, facilities, advertising, scholarships, etc.).
Initiate related programs.

Comments: With full time faculty member we recommend that current half time faculty contract be reduced to adjunct status.

Appendix C: Program Review

MAJOR #2

Discontinue the program.
X Continue as is.
Continue, but freeze enrollments.
Continue, but reduce costs.
Continue, but narrow the focus (fewer options or locations).
Strengthen the curriculum to maintain competitive position.
Develop the program rapidly (faculty, facilities, advertising, scholarships, etc.).
Initiate related programs.

MAJOR #3

Discontinue the program.
X Continue as is.
Continue, but freeze enrollments.
Continue, but reduce costs.
Continue, but narrow the focus (fewer options or locations).
Strengthen the curriculum to maintain competitive position.
Develop the program rapidly (faculty, facilities, advertising, scholarships, etc.).
Initiate related programs.

MAJOR #4

Discontinue the program.
X Continue as is.
Continue, but freeze enrollments.
Continue, but reduce costs.
Continue, but narrow the focus (fewer options or locations).
Strengthen the curriculum to maintain competitive position.
Develop the program rapidly (faculty, facilities, advertising, scholarships, etc.).
Initiate related programs.

Comments: Program has possibility of growth but would require a full time faculty member. Something to think about in the future.

JOSH WYMORE VITA

Education

Ph.D. - Higher Education. Business Administration minor. *Pennsylvania State University.* 2016
M.A. - Higher Education & Student Development. *Taylor University.* 2010
B.A. - Mathematics. English Language & Literature minor. *LeTourneau University.* 2008

Professional Experience

Executive Director, East Region. *Spring Arbor University*. 2015-Present
Research Assistant. *Pennsylvania State University*. 2013-2015
Director of Orientation and Student Activities. *Gordon College.* 2010-2013
Director of Elevate 2013. *Gordon College.* 2013
Adjunct Faculty Member. *Gordon College.* 2012
Assistant Resident Director. *Gordon College.* 2010-2012

Select Publications

Cheslock, J., Ortagus, J., Umbricht, M., & Wymore, J. (2016). The cost of producing higher education: An exploration of theory, evidence, and institutional policy. In J. Smart (Ed.), *Higher Education: Handbook of Theory and Research* (Volume 31). Dordrecht, Netherlands: Springer.

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Conn, S., & Wymore, J. A. (2012). [Review of *Academically adrift: Limited learning on college campuses*, by R. Arum & J. Roksa]. *Growth: The journal of the Association of Christians in Student Development*, *11*(2), 61-63.

Wymore, J.A. (2012). Spiritual debt. *Koinonia. Spring 2012.*

Select Presentations

Ortagus, J.C., Umbricht, M.R., & Wymore, J.A. (2015). Unpacking the IT Productivity Paradox: The influence of technology spending on faculty and staff employment in higher education. Presentation at the American Educational Research Association annual meeting, Chicago, IL.

Wymore, J.A., Logemann, A., Cook, K., Brink, J. (2013). Leading change in a first-year experience program: A new paradigm for assessment. Poster presented at the 32nd Annual Conference on the First-Year Experience, Orlando, FL.

Brink, J., Cook, K., Wymore, J.A., Logemann, A. (2013). The impact of a quality service-learning program on first-year student engagement and satisfaction. Presentation at the 32nd Annual Conference on the First-Year Experience, Orlando, FL.