DECISION-MAKING IN HIGHER EDUCATION: STRATEGIC PLANNING AND RESOURCE ALLOCATION AT ELITE PRIVATE UNIVERSITIES IN THE UNITED STATES

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Submitted to the Graduate Faculty of

The School of Education in partial fulfillment

of the requirements for the degree of

Doctor of Philosophy

University of Pittsburgh

2016

UNIVERSITY OF PITTSBURGH

SCHOOL OF EDUCATION

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June 16, 2016

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There are a multitude of challenges facing American higher education in the 21st century and no shortage of pressing topics that administrators must address at their respective institutions on a daily basis. This dissertation utilizes qualitative interview research methodology to connect with some of the leaders of American higher education to understand how institutions define priorities, allocate scarce resources and develop strategic plans that move their institutions forward. Five institutions were selected as part of the sample based on their inclusion among the top 30 private universities in the annual *U.S. News and World Report* rankings. A semi-structured telephonic interview approach was employed with 22 senior administrators from Duke University, Emory University, Georgetown University, Stanford University and Yale University, including all five presidents. The subjects discussed the major challenges facing elite private universities in the United States, including access and affordability, influence of government on research and financial constraints. The dissertation provides context for the alignment between strategic plans and annual operating plans, as well as the alignment between institutional mission and resource allocation decisions. Despite the similarities shared by the five elite universities,

there are also differences that emerged through the research with regard to institutional approach to strategic planning, investment in intercollegiate athletics and overall alignment in decentralized financial environments. This dissertation shares the perspectives of American higher education leaders regarding the myriad of challenges and opportunities facing this sector of academe.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

PREFACE

I have had the great privilege of being inspired and influenced by a number of individuals over the course of my life, and those dear friends and family have helped pave the way for a successful doctoral journey.

I am grateful to Myles Brand, who taught me through our many conversations that intercollegiate athletics, when done right, is all about educating young people. And to Chuck Ambrose, who always had time to lend an ear and never wavered in his support of my pursuit of this degree.

Thank you to Susan Bassett, who taught me so much, and encouraged me to begin my doctoral work. And Michael Murphy, who has mentored and guided me for many years, and taught me more about higher education than anyone. And a special thank you to Carnegie Mellon President Emeritus Jared Cohon, who connected me with the presidents interviewed for this study. Thank you to my advisor Stu Sutin, who guided me every step of the way.

I am eternally grateful to my parents, Joan and Larry Centor, for their unwavering support. Mom and Dad taught me to dream big, work hard and believe in myself. They role modeled the importance of education, and shaped me into the man that I am.

I have spent nearly seven years pursuing my doctorate, and I could not have done it without the support of my wife, and best friend, Jaye-Lacey. While I was in class, or writing a

paper, she was taking care of our sons, Gabriel and Lucas. This degree was a team effort, and it

was the love of my family that propelled me to the finish line. I dedicate this dissertation to them.

1.0   INTRODUCTION

In 2009, institutions of higher learning across the United States faced unprecedented financial hardship. Just as individuals must make difficult decisions when money is scarce, colleges and universities had to do the same – programs were cut, furloughs were forced and jobs were lost. As resources became scarce, administrations had to determine which areas of their institutions would be affected in various ways. It was a difficult time within American higher education.

Obviously, private industry suffered a great deal during this time as well, and reductions were made and jobs eliminated to help organizations meet their bottom lines. There are fundamental differences between higher education and private industry, however, and it is important to recognize some of those differentiating factors. Winston (1997) suggests that there are many "characteristics that make colleges and universities different from the for-profit business firms" (p. 34). As an example, Winston discusses why private firms can often consider growth and expansion opportunities with fixed costs "spread over more and more output" (p. 38), while colleges that rely on endowment draws and a general fixed physical plant, do not have as much flexibility to grow in that way.

Weisbrod and Asch (2010) recognize that endowment levels dropped during the financial crisis, but suggest that the reactions on campus were not necessarily related to those losses: "the connection between a drop in a university's endowment and in its annual budget is not one-to-one – not even close…at the vast majority of schools, the endowments yield five percent or even

less of the total budget" (p. 25). Tuition, donations and government funding are other sources of revenue institutions rely upon to operate and "all three of these revenue sources are threatened by the current economic downturn" (Weisbrod and Asch, 2010, p. 28).

During the financial crisis, I was in the midst of my first year overseeing a budget in excess of $4 million for the Carnegie Mellon University Athletics Department. As it became clear that our institution would have to make significant operating changes to account for the loss of endowment resources and other financial constraints, we were informed that non-academic departments would have to reduce their budgets by 10% over a three-year period. Academic departments would have to cut five percent over that same timeframe. While I understood the numbers, and the paramount importance of resource reduction across the university, I struggled to comprehend the rationale for treating non-academic and academic programs differently. If I struggled to understand the "why," it seemed to me that there would be many administrators across the country grappling with similar questions. It became the ambition of my research to help provide some answers, and to help fellow administrators have a more complete understanding of how higher education works.

During my time as a student, and currently as an administrator, university life always revolved around non-academic programs. Of course, the work that transpired in the classroom was the reason for being in school, but I always believed in my core that I was learning as much, if not more, through my participation in other activities – residential life, socialization at the dining hall, participation in intercollegiate athletics – than I was in managerial economics or introduction to computer science. The announcement that a larger percentage of reductions would come from the non-academic side of the house seemed to call into question the perceived value of those programs when compared to academic counterparts.

Of course, everyone has differing perspectives and opinions on the most important aspects of higher education. We would not want a biology professor believing that his or her class was not absolutely essential to the department curriculum and university catalog. Likewise, institutions would not want athletics directors or student activities personnel to think their programs are not vital to the overall educational experience of students, and the life of an institution.

There are also good reasons why institutions offer certain courses of study, programs and activities. Some introductory classes are more popular than others, and some academic concentrations serve a greater percentage of the student body. Broad-based universities, however, will generally offer academic tracks that may not have robust enrollment, because it is an important part of the institutional fabric. Likewise, colleges and universities offer certain programs and activities outside of the classroom that relate to student experience and satisfaction. Institutional communities consist of individuals from a variety of backgrounds and interests, and for schools to attract diverse populations, they must have programs and services that meet those needs and desires.

When our institution announced the method of reductions, I was instantly protective of our department. Given my relative administrative inexperience and naiveté, I could not understand why the university administration would diminish our impact with a larger reduction than our academic counterparts. There could have been many reasons for the difference. First, the university truly could value academic programs over non-academic programs – that could just be the reality. Second, it is possible that the non-academic programs had grown in a disproportionate way during the recent past, and there was more proverbial fat to trim in those

areas university-wide. Third, it is possible that the academic programs had so much more money than the non-academic programs, that a smaller percentage was a larger realized dollar value.

Whatever the rationale, I recognized that I did not understand it well enough, especially given my role in enacting budget reductions within our department. While publicly-traded companies are required to act with transparency and disclose critical information, colleges and universities, especially private ones, are not required to act in that same fashion. This approach, and the decisions that inform it, have an impact on the university community and the people that call it home. As I began my doctoral coursework, my own anecdotal experience as a higher education administrator remained with me every step of the way.

1.1   THE STRATEGIC IMPERATIVE OF CHANGE

Before introducing an initial survey that connected with senior leaders of higher education institutions to further understand their perspective on these issues, it was critical to utilize available data that underscores the precarious financial condition of many colleges and universities across the United States. Given the circumstances, it seems more important than ever that institutions are prepared and organized for strategic change.

In its Trends in College Pricing report (2014), the College Board notes that "between 2013-14 and 2014-15, average published tuition and fee prices increased by 2.9% for in-state students in the public four-year sector, by 3.3% for out-of-state students in the public four-year sector and for in-district students at public two-year colleges, and by 3.7% at private nonprofit four-year institutions. These increases are higher than the 2.0% increase in the Consumer Price Index between July 2013 and July 2014" (p. 3). While these increases are less than they had been

over the previous five years, college tuition and fees continues to outpace inflation. As consumers of higher education face higher price tags, senior leaders may feel greater pressure to make sure that the education and experience provided reflect the cost.

Much of the increase in price tag has a lot to do with perception, as institutions have poured a lot of resources into financial aid to reduce net tuition. In fact, "despite increasing published prices, the average net tuition and fee prices that students paid after taking grant and tax benefits into consideration declined between 2004-05 and 2009-10 in public two-year and four-year institutions and in private nonprofit four-year institutions" (The College Board, 2014, p. 4). Many colleges and universities are making a choice to provide financial aid to ease access issues for students. This is one of many strategic decisions that senior leaders are making within higher education.

At the same time, public institutions are not receiving the same support as they once did. In 2013-14, "public colleges and universities received an average of $7,161 per FTE student in state funding – 23% less than the $9,290 (in 2013 dollars) they received in 2007-08" (The College Board, 2014, p. 4). The institutions impacted by declining government resources must make up the gap in some way, and my research is aimed at understanding how and why those decisions are made.

As a complement to the trends reported by the College Board, it is useful to review the work done by the Delta Cost Project, which evaluated trends in college spending from 2001-11. The Delta Cost Project (2014) report notes that during the decade, "students paid an ever-larger share of the costs institutions incur to provide a college education – particularly students enrolled at public colleges and universities – as cuts in institutional subsides persisted across most types of institutions" (p. 1). Just like the data provided by the College Board suggested, this research

insinuates that there is even more responsibility on institutions to provide value for students than ever before. The question then becomes – who determines what is most valuable? If the students are paying a larger share than ever before, should they have a significant role in determining institutional resource decisions and strategies?

Interestingly, the Delta Cost Project (2014) found that "four-year institutions generally continued to invest in noninstructional student services while pulling back on institutional support…the student services share of spending continued to grow over the decade, particularly at private institutions" (p.3). But as "educational costs have increasingly shifted onto students" (p. 4), there is more reason to understand how the decision-makers are developing curriculum and learning experiences both inside and outside of the classroom to meet the desired needs and outcomes of their student populations.

1.2   RESOURCE ALLOCATION AND DECISION-MAKING PILOT STUDY

The purpose of the survey research conducted was to connect with senior administrators of colleges and universities and ask them how they make decisions at their institutions. My ambition was to understand what they value and why. Ultimately, my hope was that the survey would reveal certain trends about higher education, while providing clarity for a further study that would offer the seminal research for this dissertation.

The survey design was approved by the University of Pittsburgh Institutional Review Board and was sent to 711 senior leaders at the top 30 private research universities, as defined by the 2014 *U.S. News and World Report* rankings. It was sent via e-mail to any individual at those institutions with the title of president, chancellor, provost, chief financial officer, vice president,

vice chancellor or dean. Specifically, the survey intended to understand the rationale utilized by senior leaders regarding the value placed on both academic and non-academic activities, and determine any common themes across the defined set of institutions.

Forty-five responses were received, providing a response rate of 6.3%. While the response rate was low, the richness of response was most important, and significant themes emerged from the respondents. Of the 39 institutions that received the study via e-mail, 22 were represented in the results. Multiple perspectives were shared from various positions on respective campuses.

Given the open-ended nature of many of the survey questions, the responses received from many participants were thought-provoking and insightful. The data gleaned from the pilot served its purpose in helping to provide an initial framework to develop a dissertation study that would bring the research topic into sharper focus. Following review of the data received, I developed a framework for conducting my dissertation study.

1.3   RESEARCH FRAMEWORK

A significant issue with the survey research was that the response size was not robust enough for claims to be made about this set of institutions. While the answers are important and valuable, the limits of the survey were apparent for a number of reasons. First, the survey did not allow for follow-up questions and in-depth discussion about particular topics. Second, the responses were such that individuals shared their lenses from their experiences at a particular institution, but a number of respondents from the same institution did not always participate. This means that we have a sense for how some individuals see things in this domain space, but not necessarily how

their colleagues down the hall view them. That makes it challenging to understand how institutions truly operate.

My ambition for this research area is twofold. First, as a higher education administrator at an institution that fits within my research sample, I would like to understand the way universities operate. This will be helpful to me as I navigate my own career. Secondly, I think higher education administrators can learn from one another and my hope is to provide a lens into how other universities tackle some of the issues that transpire on all of our campuses. In order to appropriately address these ambitions, it became clear that I would need to push my original research approach further in order to adequately add to the literature on this topic and make a meaningful contribution to higher education research. With that in mind, I decided that the critical piece of my dissertation research would utilize interview methodology to develop a more in-depth understanding of the topic.

1.4   GUIDING RESEARCH QUESTIONS

A number of themes emerged from the pilot study that helped me understand the issue of resource allocation and strategic decision-making with greater clarity. The study provided more questions than answers, however, and helped set the stage for the guiding research questions that would drive my qualitative interviews. The questions were as follows:

1. What are some of the major challenges facing this particular sector of education?

2. What is the presidential perspective on strategic planning and resource allocation?

3. What is the alignment between strategic plans and resource allocation?

4. What are the forums for communication at the senior administrative level and what are the processes employed for making decisions?

5. What role do senior leaders play in agreeing upon and implementing tactical objectives?

6. What is the relative importance of non-academic student services, including athletics and recreational activities? Are resource allocation decisions for those functions aligned with perceptions?

The research questions above are intended to provide an understanding of how elite private universities that fit the defined research demographic truly run. Given the nature of the interviews, and the semi-structured approach to the research methodology, it is expected that themes will emerge from the conversations that may or may not directly answer the questions, but will provide a sense for the issues, ideals and decisions facing today's leaders of American higher education.

1.5   SIGNIFICANCE OF THE STUDY

Higher education institutions are large organizations, with various layers of leadership. They are often decentralized in nature, with decision-making processes occurring throughout those layers. Obviously, the president or chancellor sits atop the organizational chart, but it is impractical for that individual to make all institutional decisions. What happens if the president is on a different page than the provost? Or the vice presidents? Or deans? How do those leaders communicate to have a shared vision for the institution? Or if they do not have a shared vision, to at least work to communicate a unified front and inspire a shared vision for the rest of the community?

My research is predicated on understanding the context in which colleges and universities decide upon a strategic direction, and the choices available to leaders as they make resource allocation decisions. Namely, I strive to understand how colleges and universities work and run,

and why they make the decisions and choices they do. In order to understand this topic, and to contribute to the higher education landscape in a meaningful way, I asked higher education leaders to share their thoughts and perspectives on decision-making, strategic planning and thinking and resource allocation. Learning how senior leaders work together and make decisions to run their institutions, and the philosophies they have to do so, will provide insight into higher education administration for current and future administrators.

1.6 SUMMARY

As discussed in this first chapter, it is my ambition to understand how strategic planning, resource allocation and institutional decision-making fit together within higher education. The first step of exploring that issue was conducting a pilot study that surveyed senior leaders at the country's elite private research institutions. Based on the results of that study, I developed guiding research questions to help explore this topic area in more probing detail.

Before embarking on my own research, however, it is necessary to understand what the existing literature already says about the role of strategic planning within higher education, as well as the utilization of qualitative interviewing as a research method. The next chapter will provide a detailed review of existing literature.

2.0   LITERATURE REVIEW

Before embarking on my own research, it was necessary to understand what the existing literature already said about the role of strategic planning within higher education. Strategic thinking is utilized in various aspects of life. Individuals are encouraged to put a portion of their salary away each month in order to plan for the future, as they strategize on the most effective way to prepare for their later years and retirement. Parents are strategic in where they live, as they determine the best areas to raise their children and send them to school. Coaches use strategy in their game plans, and teachers are strategic in their daily classroom lessons. Dieters are strategic in the way they approach lunch, especially when they are hoping to have a special treat following Saturday dinner. Whether we realize it or not, we utilize strategic thinking in various aspects of our daily lives. Colleges and universities are no different, or rather, should be no different.

Of course, strategy is intentionally utilized in the business world, and has been the subject of significant study and conversation. Renowned management expert Peter Drucker (1974) said that "the task of thinking through the mission of the business, that is, of asking the questions, 'what is our business and what it should be?' leads to the setting of objectives, the development of strategies and plans, the making of today's decisions for tomorrow's results" (p. 416). The logic is simple, yet profound – institutions and organizations must plan today for tomorrow. It should come as no surprise that Drucker's philosophy, and the utilization of strategic thinking

and planning, has become an important topic within higher education. Brubacher and Rudy (1997) suggest, however, that "higher education in the United States was nearly 200 years old before any considerable number of educators took occasion to give explicit statement to its underlying philosophy" (p. 287).

Paris (2003) defines higher education strategic planning as "a means of establishing major directions for the university, college/school or department…strategic planning is a structured approach to anticipating the future" (p. 1). While Paris insinuates that having a plan is of the utmost importance, there is little question that colleges and universities must have a means of financing their plans, just as individuals who aspire to lead lives of luxury must have the bank accounts to fund that lifestyle. Alfred (2006) defines resources as "tangible and intangible assets that an institution uses to achieve its objectives and respond to an opportunity or threat" (p. 249-250). Institutions must align strategic planning and resource allocation "and need to make structural changes in their decision-making systems…and reallocate scare resources" (Lerner, 1999, p. 2).

Proponents of institutional strategic planning will assert, as Paris does, that having a plan is critical for colleges and universities. The process of developing that plan is also important and a number of academic leaders have shared their perspectives on best practices surrounding strategic planning. There are some that posit that "colleges and universities need a clear focus to achieve their missions – deliberate decisions are needed to steer an institution in a particular direction" (Yeager, Addam El-Ghali & Kumar, 2013, p. 127). That direction may be different for various institutions, as there is significant diversity among the thousands of higher education institutions within the United States. Indeed, it makes sense that "institutional direction is

determined by the vision, mission, goals and planning priorities" (Yeager, Addam El-Ghali & Kumar, 2013, p. 129).

Although many higher education institutions have strategic plans, there are some who suggest that strategic planning may not be effective for colleges and universities. Barrow (1996) believes that "higher education administrators are poor strategic planners…administrators lack the political will to implement strategic plans…and administrators are short-term, but strategic plans are long-term, usually with a five- to ten-year horizon" (p. 78). O'Donovan and Flower (2013) write that some "deny the value of strategy, arguing that organizations need agility above all else" (para. 7). As Martin (2013) suggests, those who resist strategic planning hold on to the belief that "the present is too uncertain to make any strategic decisions about the future" (para. 4).

Whether or not an individual or institutional administration believes in strategic planning is up for debate, but there is no argument over the fact that colleges and universities certainly have reasons for existing, and those reasons are not the same for all. Understanding the difference between various institutions, as well as some of their corresponding missions, will be the focus of the literature review in this chapter.

2.1 STRATEGIC PLANNING IN UNIVERSITIES

According to Martin (2014), strategic plans are all similar in nature and have three major parts: "The first is a vision or mission statement that sets out a relatively lofty and aspirational goal. The second is a list of initiatives—such as product launches, geographic expansions, and construction projects—that the organization will carry out in pursuit of the goal. This part of the

strategic plan tends to be very organized but also very long. The length of the list is generally constrained only by affordability. The third element is the conversion of the initiatives into financials" (p.80). The relationship between resource availability, management and development has a direct relationship with institutions' ability to plan strategically.

There is great diversity amongst institutions of higher education – there are elite private institutions with significant endowments, there are public institutions that rely heavily on government support, enrollment-driven four-year institutions that need tuition dollars to meet their bottom lines, community colleges focused on providing accessible educational opportunities for students and for-profit institutions that want to offer accessible education while making money for the organization. There are more than 7,000 postsecondary education institutions in the United States (National Center for Education Statistics, 2015) and there are a wide range of missions, visions, values and strategic plans that guide the decision-making of the administrators that lead each school.

Before looking at some examples of mission statements, and how they differ, it is important to understand the differences between some of those 7,000 postsecondary institutions, and the audiences they serve.

2.1.1 Institutional Classifications and Mission Statements

For the past four decades, "The Carnegie Classification has been the leading framework for recognizing and describing institutional diversity in U.S. higher education." Further, the Carnegie Classifications broadly categorizes institutions in the following ways:

- Associate's Colleges: "Includes institutions where all degrees are at the associate's level, or where bachelor's degrees account for less than 10 percent of all undergraduate degrees."

- Doctorate-granting Universities: "Includes institutions that awarded at least 20 research doctoral degrees during the update year (excluding doctoral-level degrees that qualify recipients for entry into professional practice, such as the JD, MD, PharmD, DPT, etc.)."

- Baccalaureate Colleges: "Includes institutions where baccalaureate degrees represent at least 10 percent of all undergraduate degrees and where fewer than 50 master's degrees or 20 doctoral degrees were awarded during the update year."

- Special Focus Institutions: "Institutions awarding baccalaureate or higher-level degrees where a high concentration of degrees (above 75%) is in a single field or set of related fields."

- Tribal Colleges: "Colleges and universities that are members of the American Indian Higher Education Consortium."

(Carnegie Classification of Institutions of Higher Education, 2015)

Within these classifications are more specific categorizations that further define an institution's status and role in the higher education landscape. Given this great diversity, it should be expected that strategic plans, and institutional missions, vary greatly. Morphew and Hartley (2006) write that "articulating an institution's mission has two potential benefits. First, it is instructional. A clear mission helps organizational members distinguish between activities that conform to institutional imperatives and those that do not. Second, a shared sense of purpose has the capacity to inspire and motivate those within an institution and to communicate its characteristics, values and history to key external constituents" (p. 457). In his seminal work about academic strategy, George Keller (1983) suggests that institutional visions should combine traditions, culture and values with the emerging needs of society and the expectations of the public.

Reviewing some of the institutional mission statements, along with various approaches to individual strategic planning processes, will help provide guidance for the role that strategic thinking and decision-making plays in the lives of higher education institutions. One of the

world's great institutions of higher learning and a private four-year institution, Yale University (2015) declares that its mission is "to create, preserve and disseminate knowledge…Yale seeks to attract a diverse group of exceptionally talented men and women from across the nation and around the world and to educate them for leadership in scholarship, the professions, and society."

One of the most renowned public universities in the United States, the University of Virginia (2015) states that it "is a public institution of higher learning guided by a founding vision of discovery, innovation, and development of the full potential of talented students from all walks of life." Virginia also writes that it is defined in part by "our universal dedication to excellence and affordable access." While there are similarities in the missions of both renowned four-year institutions, there are clear differences based on the fact that Yale is a private university, and the University of Virginia is a public institution focused on affordability and accessibility.

At The University of Phoenix, a for-profit institution, the mission is to provide "access to higher education opportunities that enable students to develop knowledge and skills necessary to achieve their professional goals, improve the productivity of their organizations and provide leadership and service to their communities" (The University of Phoenix, 2015). These practical learning takeaways, with a professional focus, are similar in part to the aims of Remington College (2015), a non-profit career training school that declares its "programs are expected to be in demand by local employers and were created to help students gain a personal understanding of their field." With a slightly different focus in mind, Queensborough Community College (2015) is "committed equally to open-admission access for all learners and to academic excellence within an environment of diversity…The College takes a leadership role in providing access to arts and culture to enrich the quality of life for the community at large."

The missions of these institutions reflect the diversity of American higher education – no two institutions are exactly the same, and the resources they have to carry out their missions certainly differ as well. Depending on the institution's purpose in the marketplace, and defined categorization, the mission and ambitions of the college or university are likely to be related to that demographic reality.

It is one thing to develop a mission statement, but it is entirely different to live by that mission and the strategic plan that may be associated with it. Institutions generally relate their goals to their mission statements, and the processes they use to develop those aims may be an indicator of the success they will have carrying out their strategic initiatives during the life cycle of a plan. Once again, the diversity of higher education institutions is reflected in the processes utilized to develop various strategic plans.

2.1.2   Strategic Planning Processes and Tools

The previous sections have addressed much of the "why" organizations and institutions elect to engage in strategic planning, but we have yet to address the "how." This section will discuss some of the strategies and tools that institutions may use throughout their processes to help key constituencies engage and communicate. Not all strategic plans and strategic planning processes look the same, but this section will provide us with a better understanding of some of the methods being utilized within higher education.

It is important to note that strategic plans and strategic planning are not the same thing. Institutions may develop a plan and live by it for a certain number of years, but that does not mean that strategic planning and assessment ceases between versions. In a survey conducted regarding strategic planning processes in higher education, Cotter and Paris (2007) asked 15

institutions if they had campus strategic plans, and if so, how long they had been engaged in the process. Of the 10 institutions that had institution-wide plans, three (Northwestern, Penn State and Kentucky) had been engaged for more than 20 years. Three other institutions had been engaged for 5-10 years, while three more had been engaged for less than five years. One institution (Georgia Tech) said it had been engaged for 10-20 years.

Also different will be the content that each institution chooses to include in its plan. Higher education is not a one-size-fits-all sector, which we recognized in the earlier section detailing the diversity of academe. Colleges and universities are different in their missions and visions, and do not aim to achieve or provide the exact same things for students. On the website housing its strategic plan, Northwestern University (2015) writes that it "builds on our current strengths and focuses our energies and resources on the most pressing issues that we are distinctively positioned to address. The structure of the plan encourages multidimensional approaches to achieving significant goals in four areas, or pillars, critical to the University's future."

Also in the Chicago area, Loyola University (2015) writes that it aims for its strategic plan to help it "retain or increase our competitive advantage as a Catholic, Jesuit institution of higher learning in Chicago." And The City Colleges of Chicago, located in the same city, "aims to nearly double the graduation rate and ensure that over two-thirds of students become employed in their area of training by 2018" (The City Colleges of Chicago, 2015).

These three Chicago-based institutions of higher education have distinctly different approaches to educating students, based on the audiences they serve and ambitions they have, and their plans likely have unique content that drive those aims.

2.1.2.1 SWOT Analysis

Strategic plan content can be developed in many ways, and there are a number of tools that organizations and institutions of higher education utilize to help them. A strengths, weaknesses, opportunities and threats (SWOT) analysis often assists the strategic planning process, and "aims to identify the strengths and weaknesses of an organization and the opportunities and threats in the environment" (Dyson, 2004, p. 632).

Organizational leaders can use this analysis to identify factors and develop strategies that "may build on the strengths, eliminate the weaknesses, exploit the opportunities or counter the threats" (Dyson, 2004, p. 632). At the University of Warwick, a steering committee comprised of senior leaders utilized a SWOT analysis in its strategic planning process and generated "16 opportunities, 22 threats, 22 strengths and 21 weaknesses" (Dyson, 2004, p. 634). Individuals were then asked to score and prioritize each item, and the SWOT analysis became an integral part of the strategic planning process that ensued.

2.1.2.2 Resource-Based Planning

Strategic plan content can be developed in many ways, and there are a number of tools that organizations and institutions of higher education utilize to help them. A SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis often assists the strategic planning process, and "aims to identify the strengths and weaknesses of an organization and the opportunities and threats in the environment" (Dyson, 2004, p. 632).

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2.1.2.3 Responsibility-Centered Management

Responsibility-centered management is often utilized to help institutions maximize efficiency, and is based on the "devolution of responsibility for revenues and costs to a college, faculty, or department so that budgetary authority is aligned with responsibility" (Hanover Research Council, 2008). Responsibility-centered management imagines a largely decentralized campus environment, and aligns with the idea of "granting decision-making authority to the people who are most familiar with specific programs." This approach theoretically allows experts in various domains to make strategic decisions that relate to resource allocation, and is one reason responsibility-centered management has been utilized in institutional strategic planning processes.

The University of Arizona (2016) moved to responsibility-centered management:

"to accomplish three goals, consistent with our mission and values…enhance transparency about both revenues and the costs of operating our institution…place greater and clearer authority and accountability at the level of deans and vice presidents…strengthen motivations to achieve and optimize revenue generation and cost effective practices.

The University of Southern California (1998) notes that responsibility-centered management:

has served the university well by providing the resources and authority at the school and college level to carry out academic program initiatives…nonetheless, RCM has created behaviors and incentives that often benefit individual schools to the detriment of broader university interests.

While responsibility-centered management emphasizes decentralization and broader fiscal responsibility, colleges and universities must determine how that fits in with overall institutional strategy.

2.1.2.4 External Scanning

Part of the strategic planning process often includes an external scanning committee, which "needs to be established for the purpose of segmenting the environments into at least four primary areas: political, economic, social and technological" (Yeager, Addam El-Ghali & Kumar, 2013, p. 137). The external scan, "must be an organized process determining the impact of external forces, which may involve actual events of potential trends relating to political environments, economic situations, social dynamics, technological advancements, demographics, competitors or legislation. It is important to define potential threats and opportunities, as well as the institutional changes implied by those factors" (p. 137). The threats and opportunities will differ depending on the situation of the particular institution. With a constantly changing environment, educators are increasingly being asked to respond quickly to keep up with the new environment (Keller, 1983).

Given what we now understand about strategic planning, and some of the tools and approaches utilized by organizations in their respective processes, it is important to review how those tools have been used by colleges and universities.

2.1.3   Institutional Examples

While in the midst of its strategic planning process, Princeton University organized "around a set of key questions about challenges and opportunities facing the university…The University's

planning process will require broad input from the Princeton community…Princeton students, faculty, staff, alumni, families and friends" (Princeton University, 2015). While Princeton's circumstances may be different than other institutions, its approach to the strategic planning process is similar to Swarthmore College, an elite, private liberal arts college. In explaining its approach, Swarthmore stated that its community immersed "itself in conversations about the opportunities and challenges confronting both the College and the world of higher education." (Swarthmore, 2015).

Princeton and Swarthmore are both renowned private institutions, but other colleges and universities have used similar language in description of their strategic planning approaches as well. Johnson County Community College conducted a SWOT assessment as part of its strategic planning process, noting that it "provides information on how the college's strengths and weaknesses relate to the opportunities and threats it faces based on the environmental scan. SWOT analyses are commonly used in strategic planning processes in a wide variety of organizations" (Johnson County Community College, 2015).

At Tunxis Community College in Connecticut, the institution discusses the importance of recognizing opportunities with its strategic planning process: "It provides the college with the opportunity to envision the future and chart a course for achieving it while at the same time shaping the budget development and distribution processes which are based on institutional priorities" (Tunxis Community College, 2015). Bolman and Gallos (2011) support this approach, noting that "a powerful way for academic leaders to clarify their thinking and to test assumptions is to develop their own scenarios or stories about how specific leadership choices might play out over time…a way to 'rehearse the future' and anticipate the impact of a host of forces" (p. 27).

Trying to predict the future is a challenge, and this is a major reason why environmental scans are a part of many strategic planning processes within higher education.

The use of words like "challenges" and "opportunities" appeared in many of the missions and strategic plans mentioned previously in this literature review. Environmental scans are a critical tool utilized by institutions to understand the world that they live in, and to fully grasp the challenges and opportunities facing them over the next defined period of time. As part of its strategic planning process, Marquette University (2015) conducted an environmental scan and noted that the "trends and data reported focus upon key external environmental factors that Marquette University needs to consider in developing and implementing a new strategic plan."

Eastern Kentucky (2015) wrote that the purpose of its environmental scan was to "support and inform the strategic planning process so that Eastern will be poised to understand and respond effectively to changes in its environment." At Grand Valley State University (2015), its strategic plan was "grounded by a thorough, timely environmental scan undertaken in 2013 and 2014. During this process, the current and anticipated factors most likely to impact the University in the years ahead were identified." It is clear that prior to engaging in their strategic planning processes, many institutions are taking in-depth looks at the environment that surrounds and impacts their particular circumstance.

Part of understanding that environment is having a solid grasp of the resources of the institution, and the opportunities and challenges that may develop in the financial area. Given that institutions of higher education are reliant on their revenue streams and available resources to accomplish various priorities, it is important to note that "Moody's has given a negative outlook 'for the bulk of rated colleges and universities, which are far more dependent on state appropriations, student tuition, or both'" (Pierce, 2014, p. 25). While some institutions may not

neatly fit into that "bulk," it is clear that the majority of colleges and universities face significant financial pressures. As of June 2012, "states are spending 20 percent less in inflation-adjusted dollars on higher education than a decade ago" (Pierce, 2014, p. 31), which has a direct impact on their bottom line and ability to think and act strategically.

As budgets have constricted within higher education, "administrators of higher education are increasingly under duress, with pressures from budget retrenchment, accountability, market forces and outcome measurement" (Nemetz & Cameron, 2006, p. 38). Lack of resources has an impact on the programs and services any organization can offer, and this is apparent within higher education, as "under conditions of decline, institutions tend to deemphasize activities that are considered nonessential" (Smith & Ferris, 1990, p.13). There is no formula for defining nonessential activities, as these are considerations of each institution depending on time, circumstance and philosophy.

Now that we have addressed why institutions strategic plan, and how they may choose to do so, it is time to explore how planning leads into resource allocation and decision-making on campus. That is, are the decisions institutions make related to the strategic directions they have developed? The next section will address this question in detail.

2.2   RESOURCE ALLOCATION IN HIGHER EDUCATION

The relationship between strategic planning and resource allocation is clear, and it has been "recommended that the university budget council set aside a pool of money annually for broad-based strategic initiatives that cannot be accomplished with typical department allocations" (Schloss & Cragg, 2013, p. 118). This can vary significantly given the diversity found within

higher education**.** In 2008-2009, public institutions constituted 41% of accredited postsecondary institutions in the United States (Cragg & Henderson, 2013) with a total enrollment of 14 million students. Private institutions are "usually supported primarily by other than public funds, and operated by other than publicly elected or appointed officials" (Cragg & Henderson, 2013, p. 4). Among public and private institutions, there are a broad range of classifications that include two-year community colleges, for-profit institutions and trade schools. We can further designate institutions that have a research focus or may promote a liberal arts bent. There are thousands of institutions and their strategic approaches are all dependent on their particular situation in the higher education landscape and marketplace.

Former University of Puget Sound President Susan Resnick Pierce (2014) writes that "failures of collaboration among the faculty, the president, and the board, whatever the cause are inevitably destructive…the board has also had responsibility for determining the institution's mission" (p. 2). Following the economic downturn of 2008, forward-thinking has been a priority for colleges and universities as a reaction to their unprecedented struggles. In fact, when compared to corporations, "all academic institutions had mission statements whereas only 57 percent of corporations had mission statements…half of the institutions have changed their mission statements in recent times" (Kelly & Shaw, 323). While most, if not all, academic institutions have a mission statement, whether or not the institution remains true to that mission is another question entirely.

In a *Chronicle of Higher Education* article, Thomas Longin suggests that many institutions have recently lost focus on their core missions (Stripling, 2013). Longin, who is a consultant with the Association of Governing Boards of Colleges and Universities said that institutions "created more attractive programs, we upped the aid. We didn't do rigorous

systematic assessment in the way we should have been doing it, and we didn't do strategic planning. Two things got lost in the quest for survival" (Stripling, 2013, para. 12).

Colleges and universities are large organizations, and it would seem likely that turnover and lack of consistency in senior leadership positions can have a significant impact on the effectiveness of strategic planning, as well as the institutional mission. A 2009 study of institutional chief academic officers by the American Council of Education "found that the average tenure was 4.7 years…frequent turnover can hurt institutional planning and a college's capacity to achieve its strategic goals" (Mann, 2010, para. 2). While turnover at senior levels is a concern, there is also a difference between the goals set by academic institutions and those established by their corporate brethren. As an example, "88 percent of corporations have quantitative goals for income and cash flow…whereas 71 percent of institutions have a goal of growth in EFTS (equivalent full-time students) despite funding constraints." According to this research, academic institutions were more likely to have qualitative goals than corporations. (Kelly & Shaw, 1987, p. 324).

While strategic planning is not synonymous with financial planning, there is little question that resources are critical for achieving institutional goals. Just as individuals are encouraged to save for retirement and plan for rainy days, organizations and institutions of higher education would likely be best-served by thinking about the future, and aligning plans with resources. For an individual, or a family, failing to think about the future could be catastrophic for having sufficient resources to live out one's life in a desired fashion. The consequences could be similar for colleges and universities that fail to engage in long-term financial planning. This may not be natural for colleges and universities that have subscribed to an "incremental approach to running an organization," but Keller (1983) notes that "finances and

academics are coming together…departments and schools are no longer designing their academic futures without studying the financial implications carefully" (p. 60).

Linking strategy and resources seems pivotal for institutional success. Alfred (2006) writes that "declarations … communicate intent, but they do little to advance the institution because they are not tied to the real world of operations and resources" (p. 13). Brinkman and Morgan (2010) recognize that external and internal trends impact institutional planning and suggest that successful strategic planning must have a resource component. They write that "the financial planner should look to interact with strategic planning at both the institutional and unit levels…it is critical that the resulting plans include a financial component that is both thorough and realistic with respect to funds available and well integrated with institutional finances" (Brinkman & Morgan, 2010, p. 8).

Brinkman and Morgan (2010) also recognize that accumulating funds for strategic use can be challenging, especially in difficult economic times, but note the following steps can be utilized to develop a strategic financial position: "(1) literally accumulating reserve funds under central control to use for strategic purposes; (2) establishing levels of understanding and commitment across multiple revenue streams for the use of resources when needed; and (3) simply having knowledge of those streams…so that capabilities are understood and negotiations can begin quickly when needed" (p. 10).

Conway, Mackay and Yorke (1994) address the challenge of strategic planning within the higher education environment. In the corporate landscape, goals and objectives may often be more closely linked with profits and the bottom line. In higher education, there may be greater diversity amongst institutional stakeholders, which can make the process more complex. Conway, Mackay and Yorke (1994) identify various customers within higher education: "the

government, its administrators, teachers/academics and the actual consumers (the learners, their families, employers and society as a whole" (p.31). The authors studied a number of institutions within the United Kingdom and found that not all are tuned into their customer base as part of the strategic planning process: "nearly half the institutions only implied a customer orientation in their planning. Of the rest, many only paid lip service to the variety of publics they serve…Accordingly, it seems that many UK higher education institutions are ill-prepared to respond to the increasingly competitive environment in which they have been placed" (Conway, Mackay and Yorke, 1994, p. 35).

Dooris, Kelley and Trainer (2002) suggest that "planning concerns an ability that is awakened by the human appetite to better our condition…in higher education, bettering one's condition includes hiring better faculty, recruiting stronger students, upgrading facilities, strengthening academic programs and student services, and acquiring the resources needed to accomplish these things" (p.5). Like Brinkman and Morgan, the authors recognize that there are external and internal forces that shape institutional strategic planning, and they also note that strategic planning is in its infancy within the higher education landscape.

Initially, "higher education's courtship with strategic planning was originally focused on facilities and space planning during an era of rapid expansion" (Dooris, Kelly & Trainer, 2002, p. 6). When the Society for College and University Planning was founded in 1966, there were approximately 300 members. As higher education has grown, and become rife with complex issues, that number "had swelled to 4,200, and its topical breadth grown to a full range of strategic considerations: governance, budgeting, learning assessment, faculty workload, student engagement, market segmentation, endowment management and, so on" (Dooris, Kelly & Trainer, 2002, p. 7). The authors posit that university leaders have had to become more involved

in the strategic future of their institutions, and "need to challenge assumptions and consider radically changing existing structures and processes" (p. 8).

2.2.1   Tying Strategic Planning and Resource Allocation

Haberaecker (2004) uses the case study example of Northwestern University and its Feinberg School of Medicine to demonstrate the implementation of strategic planning within a particular higher education institution. Feinberg published this particular iteration of its strategic plan in 1997, and "adopted a series of ambitious plans" to aid its achievement of a stated vision. Haberaecker (2004) notes that the School of Medicine went through its strategic planning process at the same time that the university went through its process, which "enabled the school to suggest strategic directions to university leadership" (p. 73). The collaboration and shared vision was an important part of both processes.

While institutions will certainly vary in the ways they engage their communities and run their respective strategic planning processes, Haberaecker (2004) shares some of the specific steps that the Feinberg School of Medicine took in 1997. The author notes that "the plan was developed through the efforts of a steering committee, of which a subset comprised the executive committee, five working groups, an external advisory committee, fourteen topical task forces, and advisory panels" (p. 73). The structure utilized at Northwestern may well reflect what occurs throughout higher education at the outset, but Haberaecker notes that the success of Feinberg's plan had a lot to do with the school's understanding "how data could and should inform the decision-making process…this openness to data and willingness to embrace the results of environmental scanning helped shape a number of specific strategic thrusts" (Haberaecker, 2004, p. 74).

Anderes suggests that four factors were critical in reaching consensus on the strategic plan: "(1) active leadership from the top, (2) broad participation in developing the plan, (3) regular forums to share information on the plan and its development, and (4) clear intention to link planning outcomes into budget development and allocation" (Haberaecker, 2004, p. 74). Haberaecker (2004) notes that "the university and its board of trustees were active supporters" (p. 74). This level of administrative and stakeholder involvement and support seems to be a critical factor in successful higher education strategic planning.

Kogler Hill, Thomas and Keller (2009) catalog the strategic planning process utilized at Cleveland State University in 2002. Cleveland State began the process with a "plan-to-plan" and the president formed a committee to "develop recommendations for a university planning process" (p. 17). The charges for the committee were to develop "a planning process that would include broad involvement, be consistent with the university's new vision, work in concert with the metropolitan community, link goals with budget and review processes, specify outcomes for each goal to measure progress, allow units to align their plans with the university plan, and provide regular communication about the planning process" (Kogler Hill, Thomas & Keller, 2009, p. 17).

Like the Northwestern process, administrators at Cleveland State played an active role in the strategic planning work at the university. Of the 10 voting members on the university's strategic planning committee, five were faculty selected by the Academic Steering Committee of the Cleveland State faculty senate, and five were administrators selected by the president. A premium was placed on experience, as the five faculty members had a combined 153 years of service to the university, and the administrators included two vice presidents, one dean, one associate vice president and one school director (Kogler Hill, Thomas & Keller, 2009, p. 19).

Beginning in 1983, Penn State has had a continuous, annual strategic planning process that began when "a university-wide committee produced what was generally referred to as a 'plan-to-plan'" (Dooris, 2002-03, p. 5). This type of engagement is similar to what was characterized at Cleveland State, although Penn State's numerous campuses made this level of participation even more complex. At Penn State, the ambition of the strategic planning process was to directly connect planning and budgeting while engaging all of the institution's academic and administrative units. A public university system, Penn State's planning process includes all 23 locations of the university (Dooris, 2002-03). During its strategic planning process, "six assessment committees were appointed in six areas...over 60 faculty and staff members consulted" (Lozier and Chittipeddi, 1986, p. 8).

Penn State has made it clear that the relationship between strategic planning and the budgeting process is unbreakable. Dooris (2002-03) notes that the administration "mandates that every budget unit within the university will create and submit an annual strategic plan or planning update" (p. 5). This mandate makes it clear that the university's administration believes that its annual resource allocation should tie into the overall plan. Until 2002, a University Planning Council "annually reviewed the strategic plans of each academic and support unit, considered requests for resources and recommended enhanced funding levels. Due to the collaborative nature of its planning process, Penn State has "eliminated duplication in programs and services and moved resources to the most promising and effective programs" (Dooris, 2002-03, p. 8).

Northwestern, Cleveland State and Penn State all engaged in strategic planning processes, and while there were certainly differences in their approaches, all three institutions shared fundamental similarities – committees were formed to lead the way, senior institutional

stakeholders were heavily involved, unit strategic plans were tied to the overall institutional process and resources were connected to the plans. Another critical component of the higher education strategic planning process concerns assessment, and accountability for adhering to the plan and achieving stated goals.

2.2.2   Assessment and Accountability

Carlson (2011) further addresses the concept of shared governance, writing that "college business officers often hold the key to realizing institutions' big plans: the pot of money. So for colleges to get somewhere strategically, there have to be good working relationships between the campus dreamers and the bean counters" (para. 1). These relationships often manifest themselves in the strategic planning process, which helps institutions determine their mission, vision and goals for a defined period of time. Institutions vary in the ways that they approach strategic planning, and how they live out the plan on their respective campuses. At Emory University, the "strategic-planning process involved 200 people and 100 hours of work over the course of eight weeks" (Carlson, 2011, para. 12). Carlson further notes that at Villanova University, "the strategic-planning committee acts as a kind of a filter. Requests from various departments go through the planning committee, which prioritizes them before sending them to the budget committee. The budget committee determines what resources are available for the strategic plan" (para. 7).

An important part of the strategic planning process for higher education institutions includes assessment. The assistant vice president for institutional research and planning at the University of Delaware, Michael Middaugh is past president of the Society for College and University Planning. Middaugh recognizes the importance of assessment in the strategic

planning process, and notes there is more emphasis on the construction of the plan than on monitoring success once it is signed, sealed and delivered. Middaugh (2009) writes: "I can attest to the fact that there is no shortage of writings that describe how institutions can best organize for planning activity…what these writings lack…is a feedback loop that informs institutions how effective those plans are in moving them forward toward the realization of their institutional mission and planning goals" (p. 5). This sentiment is shared by those outside of higher education as well. In their bestselling book Freakanomics, Levitt and Dubner (2005) write that "knowing what to measure and how to measure it makes a complicated world much less so" (p. 13).

The Middle States Commission on Higher Education (2015), which aspires "to be the preeminent resource for institutions of higher education striving to achieve excellence in fulfilling their missions," has developed expectations for institutions with regard to their strategic planning. The Commission, which developed a set of seven standards to help guide institutions seeking reaccreditation or first-time accreditation, addresses the importance of planning, resources and institutional improvement with its sixth standard: "the institution's planning processes, resources, and structures are aligned with each other and are sufficient to fulfill its mission and goals, to continuously assess and improve its programs and services, and to respond effectively to opportunities and challenges" (Middle States Commission on Higher Education, 2015). The Commission also supports Middaugh's emphasis on assessment, especially with regard to educational effectiveness outlined in Standard V. As the Middle States Commission provides accreditation for more than 500 institutions, its guidelines and process recommendations are important aspects of college and university planning.

The Baldrige Performance Excellence Program (National Institute of Standards and Technology, 2015) provides another objective way to examine institutional integration of

leadership, strategic planning and resource allocation. Specifically, the education criteria for performance excellence are a "set of questions about seven critical aspects of managing and performing as an organization," including leadership, strategy, customers, measurement, analysis and knowledge management, workforce, operations and results. Organizations are encouraged to utilize the framework to identify their strengths, as well as areas for improvement, and to measure achievement of strategic goals. In 2001, the University of Wisconsin-Stout became the first institution of higher education to receive a Malcolm Baldrige National Quality Award, and utilized the framework to strengthen its institutional approach to planning and assessment.

With a greater understanding of the higher education landscape, and various institutional and administrative approaches to strategy and resource allocation, we will now begin to explore the perspectives shared by leaders of colleges and universities. The following section examines the existing literature that details some of these perspectives.

2.3   THE SENIOR LEADER PERSPECTIVE

During the financial crisis of 2008-09, many big banks defaulted, the housing market collapsed as millions of homes were foreclosed and businesses shut down as the United States economy entered a severe recession. Higher education was negatively impacted by the recession, as endowments took significant hits, many public institutions saw their government funding reduced and prospective students struggled to grasp how they would afford postsecondary education in difficult financial times. With a new economic reality facing institutions of higher learning, boards of trustees and administrations were faced with difficult decisions – ones that impacted the lives of those associated with their respective institutions.

According to an Inside Higher Ed Survey of College and University Presidents (2012), "reflecting pressure on institutions to prove their value and show that their students are learning, presidents ranked issues of academic quality and student learning just below a set of financial concerns at the top of their lists of the biggest challenges facing their institutions" (para. 7). This question of value is paramount, as senior management officials at colleges and universities must decide which aspects of the institution are most important. This is certainly not an easy task, but with it being noted in the 2014 follow-up survey that only "five percent of all presidents strongly agree that the economic downturn that started in 2008 is effectively over at their institution" (Jaschik and Lederman, 2014, para. 6), it is necessary to understand how decisions about resources are made on respective campuses.

What does an institution do when its resources are suddenly reduced by a significant margin? How does an institution with a broad-based mission justify the removal of meaningful academic programs? In an environment where jobs are being lost, how do certain institutions justify spending on particular academic and non-academic programs? At the outset of the downtown, institutions responded in a variety of ways, as "more and more are delaying construction projects—Boston University has a moratorium on new building projects; selling assets—trustees at Brandeis have authorized the college to sell a limited number of pieces in its art collection; and axing sports teams—the University of Vermont said it would scrap its varsity baseball and softball teams as part of a $10.8 million budget cut for the next fiscal year" (Knight, 2009, para. 7).

While the impetus for this research is based on experiences had with a reduction in resources, it is also important to understand how institutions work when they have more resources available. What does a university do when there is an infusion of capital? How are

35

decisions made about what is most important for the college or university, and the educational experience of its students? According to the Inside Higher Ed survey (2012), "just over one-third of college and university presidents rated their institutions as very effective at using data to 'aid and inform campus decision making'" (para. 8). This implies that most institutions do not utilize available data, or have systems in place to appropriately consider that data, as they make important resource decisions.

Archibald and Feldman (2011) note that higher education is a highly subsidized enterprise and recognize that cost and price of higher education are not the same thing. While the price of higher education is certainly daunting for American families, the reality is that the cost of educating students generally exceeds tuition. This means that colleges and universities spend more to run their enterprise than attendees pay – it is a model that business owners would consider a losing proposition. While government subsidies, alumni contributions and other revenue sources help make up the difference between the price of tuition and the cost of attendance, it is no wonder why making decisions and allocating resources within higher education is challenging.

How are these strategic decisions made at colleges and universities? While each institution is different and has varied priorities, every college and university has numerous academic programs with needs and desires. In addition, those institutions have other priorities that fall outside of the traditional academic realm – intercollegiate athletics, student activities, career services, campus police and other non-academic departments. Each of these areas is likely to have a department chair or head advocating for the latest in a long line of resource requests, and as Knight et al. (2011) recognize, "some of the most basic tenets of what is important in academic administration differ greatly across the more qualitative fields such as the arts and

humanities and the more quantitative fields such as the natural sciences" (p. 327). The authors recognize that there are competing interests across academic priorities, but they do not consider the non-academic priorities that are also in need of limited institutional resources.

In their analysis of Dutch higher education, Maassen and Potman (1990) discuss the adaptation of business practices and strategy within the college environment. The authors note that "as was the case with previous instruments and systems that were transferred from business to higher education, the application of strategic planning in higher education has many strong supporters. They stress the value of the concept for higher education institutions, among other reasons, because it has value for business, and because higher education institutions are or should become similar to business organizations" (p. 398). This focus toward strategic planning has enveloped higher education over the past few years and the involvement of senior staff and financial officers in the process has been a significant trend.

Kelly and Shaw (1987) write that "administrators of academic institutions have become increasingly concerned about optimizing the employment of institutional resources." The authors further evaluate how decisions are made within colleges and universities, noting that unlike corporations, "at academic institutions, the role of top management and to a lesser extent the chief executive officer are downplayed in favor of second level line managers who are seen to exert the most influence on setting the goals for their areas" (p. 319). Kelly and Shaw (1987) contend that schools struggle with allocating resources strategically because "academic institutions cannot provide a sufficiently precise and detailed profile of internal performance" (p. 332). That is, while colleges and universities are largely decentralized institutions, they do not necessarily have metrics in place to measure the outcomes of strategic goals and assess future resource allocation appropriately.

Lockwood (1972) contends strategic planning should involve a diverse set of constituents within the institution: "Planning should be the collective exercise of foresight. It is not an activity which should be conducted by a few 'wise men'…planning activity needs to be integrated both in terms of specialisms and levels…academic, financial, social and physical factors should be inter-related at all points of the planning process…departmental, faculty and university planning should not be regarded as disparate" (p. 413). Lockwood also notes that "all categories of resources are included" within strategic planning in higher education.

When the financial markets collapsed in 2008-09, the *Chronicle of Higher Education* was quick to begin its discussions of the corresponding impact on colleges and universities across the United States. In an October 2008 article, Paul Fain suggests that "planners say many institutions do not adequately grasp strategic finance, focusing mostly on short-term budget needs…a tight economy forces an institution to focus on what is most important" (para. 3). Fain notes that Philadelphia University, which is a private four-year institution, had just begun its strategic planning process at the time of the economic meltdown and lost a significant portion of its endowment.

In an *Inside Higher Ed* and Gallup survey of college and university Chief Financial Officers (2013), it was found that "large proportions of business officers want to better-use data to evaluate programs and identify potential problems or solutions. But many of them acknowledge that their institutions do not have the data or the information to make informed decisions in key areas" (para. 11). Which activities are considered nonessential? And do different campuses view these activities in the same light?

According to the *Inside Higher Ed* (2012) survey of presidents and chancellors, various types of institutions may see things like intercollegiate athletics in different ways: "Compared to

the 75 percent who said that colleges spend "way too much" on intercollegiate athletics, public doctoral university presidents were the only category of campus chiefs in which significant numbers said their own institutions spent too much on sports; 35.6 percent of them said so, compared to just 14.9 percent of all presidents, 19.2 percent of public master's college leaders, 16.2 percent of private doctoral university presidents, and 21.3 percent of private master's college presidents" (para. 18). This example demonstrates that institutional position and perspective may have an impact on the decisions senior leaders make and the views they share on various programs and activities, and their perceived value on campus.

2.3.1   Case Studies in Research

Understanding the senior leader perspective is critical to my research about strategic planning and resource allocation within higher education. There is no doubt that institutions employ strategy in a variety of ways, but how does that happen? Who makes the decisions? How are priorities set and communicated? In essence, how do institutions of higher education run? Before conducting my own qualitative interviews, I reviewed a number of studies that began to answer some of those questions, and demonstrated effective techniques at gathering data from higher education administrators.

Sathye (2004) conducted interviews with three higher education leaders in Australia and prepared "an interview schedule with a set of questions…having such a set interview schedule also enabled the comparison of responses of each of the three leaders" (para. 6). Longman (2007) reviews Francis L. Lawrence's book *Leadership in Education: Views from the Presidency*, and notes that "over 400 pages of the book are dedicated to interviews…the interviews are

remarkably candid and revealing, personal and direct in their tone…the chapters seem to be literal transcriptions of interviews, conducted in an atmosphere of collegiality and trust" (p. 483).

Smerek (2013) utilizes interviews in his research on new college presidents and how they adapt to their leadership positions. In his study, Smerek (2013) "interviewed 18 presidents…using an open-ended, semi-structured interview" (p. 376). The author conducted 14 of his interviews in the president's office, one at a neutral site and three by telephone. As an example of how an interview with a university leader can be an effective practice, Gruber (2005) interviewed University of Michigan President Mary Sue Coleman and recognized following the interview that "after patiently leading the university through the latter stages of affirmative action cases, it was now her time to launch a new vision" (p. 342). Researchers have demonstrated an ability to glean this type of insight from university leaders through the use of interviews.

Birnbaum (1992) studied the relationship between experienced college and university presidents and members of the faculty. Specifically, he looked at why those presidents lose faculty support. Birnbaum (1992) collected data as part of the Institutional Leadership Project, "a five-year longitudinal study of the interaction of trustees, administrators, and faculty in formal leadership positions and their effects on the functioning of thirty-two institutions" (p. 3). The data was developed through interviews with the various stakeholders – trustees, administrators and faculty – to determine whether new presidents or experienced presidents have more effective relationships with faculty and their corresponding effectiveness as institutional leaders. Additionally, Birnbaum was able to analyze the interviews from the different groups of respondents to further understand the perspectives and perceptions.

In many ways, it seems as though researchers are fond of the interview method within higher education studies because it provides the opportunity to receive a first-hand account from institutional stakeholders regarding the topic at hand. Presidents and chancellors hold powerful, prestigious positions and connecting with them directly allows researchers to collect meaningful data from important leaders within their field of interest. As an example, Bolton (1996) "set out to discover whether deans of business schools themselves consider that the conflicting pressures on them make it virtually impossible to succeed or whether their experiences suggest that a more optimistic view of their scope for achievement is tenable" (p. 494). Bolton (1996) determined the criteria for inclusion within his sample, and "everyone who was approached agreed to take part and all gave an interview ranging from one hour to two and a half hours in their office. A set of questions designed to structure the interview was sent in advance" (p. 495).

Interestingly, Bolton (1996) noted that there were limitations in his study, writing that "the importance and effectiveness of teams of different kinds varies between schools and cannot be evaluated by interviewing team leaders alone" (p. 503). While Bolton was able to learn a great deal about deans, their perceptions, leadership style and behavioral characteristics through his structured interviews, he was not able to connect with all constituents during his study. Due to the time constraints associated with conducting interviews, especially those in-person, it is necessary to understand the limitations associated with only interviewing a sample of institutional leaders. The data can be revealing, but researchers must understand it may not offer a complete picture of the organization.

Kezar (2008) also conducted a study which utilized interviews as a means of collecting data from university leaders. Intrigued by the politics facing campus leaders who aspire for inclusive and diverse communities, Kezar's study "endeavored to examine the role of presidents

in advancing a diversity agenda and focused on examining the type of political situations that emerge, particularly strategies that college presidents use to negotiate these politics" (Kezar, 2008, p. 406). Given some of the challenges acknowledged by Bolton regarding interviews and the limitation of the respondents' lenses, Kezar (2008) acknowledges that is what she is looking for in her research: "I examined the method by which presidents handled the politics related to moving a diversity agenda forward…I focused on college presidents because they are usually at the center of politics and because they are one of the most important leaders in efforts to institutionalizing a diversity initiative" (p. 408). Kezar is clear in her rationale for using interviews with college and university presidents – these individuals are "important leaders" and she places high value on their responses to her questions.

Because she was interested in learning about the perspectives of presidents, Kezar conducted "elite interviews" with 27 college presidents. Elite interviewing "is a specific research methodology…based on the assumption that access to elites is often difficult and therefore key people that participate in a process are often not interviewed" (Kezar, 2008, p. 415). Hochschild (2009) notes that "a central purpose of elite interviews is to acquire information and context that only that person can provide about some event or process" (para. 2).

Kezar (2008) writes that elite interviews possess the following qualities: "researchers conduct extensive analysis of documents and background work before conducting interviews; developing rapport is critical to obtaining information; the interview protocol is based on a combination of background research and literature; the interviewees are allowed more freedom to shape the direction of the interview because they are chosen for their expertise on the issues; and the interview sample selection is particularly important for ensuring that the phenomenon of interest is elucidated." Kezar suggests researchers interviewing an "elite" cohort ought to be well

prepared to conduct their conversations if their ambition is to glean meaningful and significant data.

In her study of university presidents' perspectives on sustainability practices within higher education, Wright (2010) utilized in-depth interviews with university presidents and vice-presidents from a sample set of Canadian institutions. She initially contacted potential participants via e-mail and telephone, and asked them to "take part in a one-hour interview about universities and sustainability" (p. 61). Most of the interviews were conducted face-to-face, although Wright did utilize telephone interviews due to geographic constraints. Given the set of individuals being interviewed, Wright guaranteed confidentiality in her study and found that "this allowed participants to be candid about their university situations without fear of being judged or negatively impacted through publications" (Wright, 2010, p. 62-63). Wright also found the structure of her interviews with the presidential cohort to be useful, and designed "the interview to be a conversation rather than a test of the administrators' knowledge of an assessment of their institution" (Wright, 2010, p. 72). Wright did not note whether or not she found the data gleaned from in-person interviews to be more or less rich than what she received via telephone.

Neumann and Bensimon (1990) conducted a study on college presidents and their own perceptions of their leadership role on their respective campuses. Starting with the premise that each of these institutional leaders has different personal traits and perspectives, the researchers developed a comparative study to better understand "their fundamental conceptions, or implicit personal theories, or organization and leadership…theories about organizational life and about the presidential role" (p. 678). In order to learn more about the presidential role, Neumann and Bensimon (1990) utilized the ILP sample of 32 institutions. They also "conducted three-day site

43

visits to each participating campus…interviewed the president (three hours) and other participants (sixty or ninety minutes), including vice presidents, trustees, faculty leaders, and student leaders, guided by a common protocol of open-ended questions" (Neumann & Bensimon, 1990, p. 681).

Kuo (2009) interviewed 18 academic staff members and 18 administrators at a large public research university within the United States to examine the relationships between those two groups. The participants in the study were chosen through stratified sampling, although Kuo notes that the sample was not representative of the campus population. Following the interviews, Kuo (2009) worked to "identify and analyze themes and patterns that emerged" (p. 44) and adapted four codes from the literature: differentiation, fragmentation, individualism and interaction. To understand the data collected through the interviews, Kuo (2009) analyzed it "by first developing themes for the data categorized under each code and then comparing and clustering the themes into three patterns" (p. 45). The utilization of coding is important, as it aids the researcher in developing a system that makes sense of the large amount of data collected through interview methods.

Hancock and Hellawell (2003) also utilized the interview method to understand the role of academic middle managers at a university in the United Kingdom. The researchers created an interview schedule and included questions such as "Have there ever been occasions when you have felt that what was good for the organization as a whole was not good for the unit you managed or vice-versa?" (p. 6) and "Can you think of any examples where you felt you had to 'hide' what you were doing from senior management?" (p. 6). The semi-structured interviews were between 60 and 90 minutes long.

One of the major topics facing higher education is the role of tenured and non-tenured faculty. Adjunct faculty members have filled more positions over recent years and there are a number of associated issues because of that reality. Researchers have been interested in exploring the role of tenure within higher education to learn more about what it means for students, staff, faculty and the future of colleges and universities. As a means of learning more about some of the implications associated with tenure and non-tenure, Kezar (2013) examined the perceptions of non-tenure track faculty regarding how departmental policies and procedures shape their ability to create student-learning opportunities at four-year institutions.

Kezar (2013) interviewed 107 faculty members from 25 different departments across three institutions, and used a snowball sampling method that encouraged respondents to "recommend and encourage others" to be interviewed. She "conducted one-on-one interviews with non-tenure track faculty as the main source of data collection" (p. 580) and they were between 60 and 90 minutes in length. Kezar's interviews focused on the following:

1. General background about role, discipline and background
2. Perspective on the institution, department and existing policies
3. Impact of policies on performance
4. Description of teaching and advising practices in relationship to departmental policies
5. Role and interaction with others in the department
6. Open-ended questions for respondents to answer anything else and to suggest additional people to interview.

(Kezar, 2013, p. 580)

Prior to the interviews, Kezar (2013) worked to become well-versed about the institution she was going to visit, and notes "case study also often entails observation and document analysis. For each campus, prior to interviews I reviewed the institutional website, key documents including self-study for accreditation…strategic plans, faculty handbooks, union contracts and departmental websites and materials" (p. 580). Kezar also utilized the literature to help her code the interview data she collected. She also noted that the large number of

45

respondents helped her to feel comfortable with trustworthiness. Kezar (2013) also "ensured trustworthiness…through an informant at each institution that helped me gain access" (p. 581).

Sallee (2012) explored the role of male faculty members in the home, and the "tension that many men feel navigating their responsibilities in the home while simultaneously aiming to fulfill the norms of the ideal worker" (p. 782). Sallee interviewed 70 male faculty members at four research universities to examine those issues, specifically focusing on the following research questions: "how do male faculty navigate their roles as professors and parents? What role do institutional accommodations play in promoting men's involvement in the home?" (p. 783).

In developing the sample, Sallee (2012) reached out to more individuals than she actually interviewed – a few respondents could not find a time to be interviewed and some others responded after she had reached her target number at a particular institution. Sallee also was cognizant that her sample ought to represent a wide range of disciplines at the four research universities, and her interviewees touched "the humanities, social sciences, engineering, biological and physical sciences, as well as professional schools such as medicine, business and veterinary medicine" (Sallee, 2012, p. 789). She was also interested in respondents being at various stages of their careers so that there was an appropriate range of diversity within the sample. Of the 70 interviewees, 22 were assistant professors, 28 were associate professors and the remaining 20 were full professors (Sallee, 2012, p. 789). She also "interviewed at least one institutional agent responsible for either work-family policies or faculty affairs" (Sallee, 2012, p. 789) on each campus.

While there is some debate regarding the use of telephone or in-person interviews as a means of collecting data, Sallee (2012) provides an example of a researcher that utilized both

approaches in her study. While both types of interviews took about 45 minutes, she conducted a number via telephone when individuals could not meet in person. Sample questions included: "tell me about a time your role as professor and parent conflicted" (p. 790) and "how would you describe the department climate with respect to parenthood and children" (Sallee, 2012, p. 790). Sallee (2012) also collected additional information through document analysis, which has supported other higher education studies that utilize interviews as a research method. Once again, the research does not demonstrate whether the quality of interviews differed when conducted via telephone or in-person.

Freeman, Jr. and Kochan (2013) researched the role of assessment and accountability within higher education. Specifically, the authors wanted to understand presidential perceptions of their doctoral education and subsequent preparation for handling issues related to assessment and accountability. Utilizing a mixed-methods approach, Freeman, Jr. and Kochan (2013) used quantitative data to help develop their interview questions for the study. Presidents' curriculum vitas and biographies were reviewed to aid the development of an interview script, which was used to lead two guided interviews of 30-60 minutes with each president to learn more about their perceptions of their doctoral training. The researchers also used follow-up e-mail interviews for data validation (Freeman, Jr. and Kochan, 2013).

Interview methodology has been utilized in a great deal of higher education research, including numerous studies that strive to engage institutional leadership perspectives. The common theme across the studies is that researchers have used interviews to provide depth within their data that may not have otherwise been available. These studies are of particular interest to me, and have helped me develop a study that will allow me to interview presidents,

chancellors and other university leaders to help address the research questions that will drive my study.

2.4   SUMMARY

The literature reviewed in this chapter provides the background necessary to conduct my own meaningful research that will add to this important topic area in higher education. The literature is clear that strategic planning, decision-making and resource allocation have emerged as critical aspects of institutional life, albeit in varied ways depending on the particular college, university and/or current administration. The literature also provided guidance and strategies on effective ways to engage my target cohort through qualitative interviewing. The next chapter will focus on my research design.

3.0   RESEARCH DESIGN

In the summer of 2014, a pilot study was conducted to glean insight into strategic planning, decision-making and resource allocation within higher education. A survey design was approved by the University of Pittsburgh Institutional Review Board and sent to 711 senior leaders at the top 30 private research universities, as defined by the 2014 *U.S. News and World Report* rankings. It was sent via e-mail to any individual at those institutions with the title of president, chancellor, provost, chief financial officer, vice president, vice chancellor or dean. The overall response rate was 6.3% and 22 of 30 institutions had at least one participant in the study.

Respondents were asked to share their perspectives on a number of topics, including the value placed on non-academic activities in comparison to academic programs. The senior leaders were also asked to offer perspective on the role of strategic planning within their institutions, the relationship between resource allocation and strategic planning and the methods utilized at their institutions to assess program success.

The survey research provided many answers to the questions raised regarding institutional decision-making, resource allocation and strategic planning, and the ambition of learning these perspectives directly from senior administrators was achieved. Approximately two-thirds of respondents indicated that they do value academic programs over non-academic programs, but almost all respondents expressed the importance of learning that transpires outside

49

of the traditional classroom. That said, when asked how they might react when faced with budget cuts, 85% of respondents said they would look to trim non-academic programs first.

In addition to the information it provided regarding perspectives on academic and non-academic program priorities, the survey also offered insight into administrator perspective on strategic planning and resource allocation decisions. Many respondents utilized the open-ended question opportunity to detail the importance of alignment in this area, and the necessity of a direct correlation between strategic goals and resources. Respondents were asked to rank the individuals who should be involved in the strategic planning and decision-making process on campus, and the insight shared helped provide an understanding of the role senior leaders play at their institutions.

Another important outcome of the survey research was the perspectives shared on assessment and communication. Respondents were asked to share their thoughts about program evaluation and the procedures utilized to understand how impactful academic and non-academic curriculum is on the campus community. The decentralized nature of institutions was also evident, as multiple respondents noted they rely on input from departmental leaders to help inform their decision-making processes.

While the insight gleaned from the survey was certainly valuable, there were many challenges with the research that pushed me to want to develop a more in-depth study that would provide me with the opportunity to understand this topic with greater clarity. For example, with such a small number of respondents spread across 22 participating institutions, it was not possible to compare institutional trends. While the individual responses provide valuable data, it proved difficult to get a sense for how the resource allocation and decision-making processes worked at a particular institution. If the provost of an institution shared his or her perspective on

these strategic issues, but no other senior leaders responded, it was challenging to understand how things work at that particular college or university.

Secondly, the written survey provided great flexibility for the respondents – many did not go into great detail on particular questions. While surveys are often efficient means of collecting data, I found the inability to get more in-depth answers from respondents was a limiting factor of the research. There was a lack of consistency in the quality and detail of the answers, and many of them left me with further questions and no mechanism with which to prod further.

Finally, the response rate was relatively low within the sample set of institutions. The challenges above, and the low response rate, caused me to find myself with more questions than answers. While the survey research is important and answered some questions, and is an integral part of the dissertation process, I became convinced a more substantive study would be necessary for me to understand this issue more fully, and to contribute to the literature in a meaningful way.

With that in mind, I researched interview methodology, and developed a plan to more fully integrate with a smaller subset of institutions through detailed interviewing. The research questions regarding resource allocation and strategic decision-making remain the same, although they are enhanced by the data developed from the initial survey. The next step of the dissertation process was to utilize the information learned from the survey, and develop a more specific approach for interviewing higher education leaders regarding the topic.

3.1   RESEARCH METHODOLGY

I elected to use qualitative interviewing as my research methodology. The survey instrument that I utilized in my pilot study provided important information, but qualitative interviews would allow me to connect with my target population in a direct, personal and meaningful way. I spent time considering whether or not I should conduct interviews in-person, through e-mail or via phone, and decided that phone interviews would provide the most effective approach.

Before developing my interview script, it was necessary to learn more about how this particular methodology has been utilized in qualitative research. Wilson and Edwards (2000) write that advantages of telephone interviewing include achieving "greater geographical coverage than any other method…second, telephone interviewing offers the research team greater flexibility in terms of location and time than any other methods" (p.83-84). Qu and Dumay (2011) offer that there are three specific types of interview methods – structured, semi-structured and unstructured. The semi-structured interview, which has been utilized in much of the higher education research detailed in previous chapter's literature review, "enjoys its popularity because it is flexible, accessible and intelligible and, more important, capable of disclosing important and often hidden facets of human and organizational behavior. Often it is the most effective and convenient means of gathering information" (Qu and Dumay, 2011, p. 246).

Rabionet (2009) determined that there are six stages in the design of effective semi-structured interviews, which she believes allow her to gather the data she is seeking in her studies while ensuring that subjects have the opportunity to tell their own stories. She does not utilize unstructured interviews because they have the "risk of not eliciting from the junior

researchers the topics or themes more closely related to the research questions under consideration" (p.203). Rabionet's six stages for semi-structured interviews are as follows:

Stage 1: Selecting the kind of interview
Stage 2: Establishing the ethical guidelines
Stage 3: Crafting the interview protocol
Stage 4: Conducting and recording the interview
Stage 5: Analyzing and summarizing the interview
Stage 6: Reporting the findings
(Rabionet, 2009, p. 203-205).

Using Rabionet's stages as a guide, I developed my approach for conducting interviews to answer my research questions. The next step was selecting the participants I was going to interview.

3.2   PARTICIPANTS

3.2.1   Participating Institutions

The top 30 ranked private universities from the 2014 *U.S. News and World Report* ranking were surveyed in the pilot study. For the dissertation study, I took averages of the *U.S. News and World Report* rankings from 2012-16 to develop the set of institutions in the research cohort. The average rankings for participating institutions are below:

Table 3-1 Average *U.S. News and World Report* Rank from 2012-16

Institution   Average Rank

Institution	Average Rank
1. Princeton University	1
2. Harvard University	1.6
3. Yale University	3
4. Columbia University	4
5. University of Chicago	4.6
6. Stanford University	4.8
7. Massachusetts Institute of Technology	6.4
8. University of Pennsylvania	7.4
9. Duke University	8.2
10. California Institute of Technology	9
11. Dartmouth College	10.8
12. Johns Hopkins University	12
13. Northwestern University	12.2
14. Washington University in St. Louis	14.2
15. Brown University	14.8
16. Cornell University	15.2
17. Vanderbilt University	16.4
18. University of Notre Dame	17.6
19. Rice University	17.8
20. Emory University	20.4

Table 3-1 (continued)

21. Georgetown University	21
22. Carnegie Mellon University	23.4
23. University of Southern California	23.6
24. Wake Forest University	25.8
25. Tufts University	28
26. Boston College	30.8
27. New York University	32.2
28. Brandeis University	33
29. University of Rochester	33.2
30. Case Western Reserve University	37.4

3.2.2   Selective Sample

Following completion of the survey, I utilized a selective sampling approach to choose five institutions from the cohort to study further: Yale University, Stanford University, Duke University, Emory University and Georgetown University.

There were a few factors that helped me select the five institutions included in my dissertation study. Given my ambition to interview senior leaders at the respective institutions, the most important aspect of choosing the universities was to ensure I had buy-in from their respective administrations. Because I was seeking access to "elite interviews" that included the president of each institution, I relied on relationships I had to make introductions. I received commitments from the presidents of each of the five institutions included in the dissertation

study to participate in interviews. Once I had their commitments, I used my access to receive their endorsement for connecting with other members of their senior teams. With that approach, I was able to speak with four or five members of each institution's senior administration, including the president of each university.

While ensuring that I would be able to conduct interviews with multiple senior leaders at the universities was critical, there were other reasons those five institutions emerged from the initial list of 30 developed for my survey research. Through the survey results, I was able to review which institutions had participated more robustly than others – this information proved important in providing perspective on how those institutions might react to being part of the more in-depth study. Since they had been committed to sharing insight on the topic through the survey, I was hopeful that the senior leadership would be more eager to offer their time for interviews.

With the opportunity for presidential buy-in and the knowledge of institutional participation in my previous research in hand, I had a solid starting place for inclusion of their particular institutions. Despite those important characteristics, however, there was much greater analysis that had to take place prior to final selection. In my research of the five universities, only two had formal institutional strategic plans that could be found on their websites. It was important to me that the five institutions have differentiating characteristics at the outset to help drive the interviews and greatest possible understanding of the research topic.

I also looked for additional differentiating characteristics before finalizing participant selection. The endowment levels of the institutions were of significant interest to me, especially given the focus of my research on the relationship between strategy and resource allocation. There was great variety in those endowment levels, as detailed in the table below:

Table 3-2 Endowment Values of Sample Institutions

Institution   2015 Endowment Value

Yale University	$25,572,100,000
Stanford University	$22,222,957,000
Duke University	$7,296,545,000
Emory University	$6,684,305,000
Georgetown University	$1,528,869,000

(NACUBO, 2015)

It was also important not to select institutions that shared like characteristics with regard to location. Universities in major metropolitan areas may face a different set of opportunities and challenges than institutions in suburban settings. An important subset of the location consideration is an understanding of cost-of-living in that particular area. The five institutions selected were not necessarily most dissimilar in these regards, but analysis of location and economic position were certainly factors.

With my own personal background as an athletics administrator, I was interested in selecting five institutions that may have differing philosophies on the role intercollegiate athletics should play within the educational process, and the way resources are utilized to support that notion. As an example, Stanford is one of the premier Division I athletics programs in the country – the university has clearly prioritized athletics excellence alongside its world-renowned academic institution. Emory, on the other hand, has also opted to strive for athletics excellence, but on the much smaller scale of non-scholarship Division III. Georgetown, Duke and Yale fall somewhere in between and provide interesting case studies for analysis.

With those factors as a guide, I selected the five institutions for participation in my study. The following section will introduce the individuals that participated from each university, and the role they serve within their respective senior administration.

3.2.3 Participants from Within the HEIs

As previously discussed, the survey research performed as a precursor to the dissertation study did not provide enough of a data set from within particular institutions; that is, only one or two administrators from a particular school responded. The follow-up study with the five selected institutions was predicated on interviewing multiple senior leaders from the same university in order to have the relevant data to develop meaningful conclusions about how senior administrations work together and run their institutions.

The following individuals participated from the selected institutions:

Duke
Richard Brodhead, President
Kyle Cavanaugh, Vice President, Administration
Larry Moneta, Vice President, Student Affairs
Tallman Trask III, Executive Vice President/Treasurer
Tim Walsh, Vice President, Finance

Emory
Susan Cruse, Senior Vice President for Development and Alumni Relations
Ajay Nair, Senior Vice President and Dean for Campus Life
Claire Sterk, Provost
James Wagner, President

Georgetown
Christopher Augostini, Senior Vice President and Chief Operating Officer
John DeGioia, President
Robert Groves, Provost
Bartley Moore, Vice President for Advancement
Todd Olson, Vice President for Student Affairs and Dean of Students

Stanford
Greg Boardman, Vice Provost for Student Affairs
John Hennessy, President
Randall Livingston, Vice President for Business Affairs and Chief Financial Officer
Howard Wolf, Vice President for Alumni Affairs/President of Stanford Alumni Association

Yale
Kimberly Goff-Crews, Secretary and Vice President for Student Life
Stephen Murphy, Vice President for Finance and Chief Financial Officer
Joan O'Neill, Vice President for Alumni Affairs and Development
Peter Salovey, President

In the following sections, I will introduce the approach used for interviewing the 22 participants, as well as the data collection procedures utilized. The remainder of this chapter discusses the protocol that guided the research for the dissertation study.

3.3   DATA COLLECTION

3.3.1   Instrument

Following analysis of the pilot study, an interview protocol was developed to help guide the conversations for the dissertation research. A semi-structured approach was utilized to allow the interviewer flexibility to follow-up on important aspects of the discussions. The interview script (see Appendix A) was developed with the understanding that the conversations would be taking place with individuals that lead some of the most respected institutions of higher education in the world. The questions were intended to elicit thought-provoking responses that would lead to rich discussion and provide a depth of understanding regarding the way universities run.

Participants were sent the interview script in advance of the conversations, which were conducted via telephone for 45-60 minutes. Individuals were also informed that their responses would likely be identifiable to those reviewing results of the research.

3.3.2   Preparation

Prior to conducting these "elite interviews," it was important to do a deep dive to learn more about each institution. Published strategic plans were reviewed before interviews were conducted. Institutions that did not have university-wide strategic plans may have strategies and goals in other forums, and those were reviewed as well. Each institution had a mission statement that was published on their respective websites. Learning more about what each institution chose to highlight through its stated mission, vision and/or values, provided important context for the semi-structured interviews.

3.3.3   Procedures and Timeline

Interviews were conducted via phone with the 22 senior administrators over a four-month period from October 2015 to February 2016. Participants were all asked the same IRB-approved questions with relevant follow-ups as part of the semi-structured interview approach. Interviews were recorded, transcribed and prepared for analysis. The interview subjects understood that their comments would be paraphrased or directly attributed, depending on the context. The IRB-approved script was shared with the subjects prior to the interviews.

3.3.4 Analysis Strategies and Procedures

Each of the 22 senior leaders interviewed in the study were asked the same questions, as outlined by the IRB-approved instrument. Given that approach, there were major themes that each participant addressed with respect to the landscape of this particular sector of higher education, and his or her home institution. With approximately 20 hours of transcribed conversations, it was important to organize the data in multiple ways.

First, the participants from each institution were grouped and their answers to each question were compared and contrasted to identify the meaningful connections outlined by the senior leaders. That helped provide a picture of how that particular institution approaches strategic decision-making and resource allocation. Those answers were then compared with the published strategic plans, mission statements and other publications the universities made public on their web pages.

Next, the answers to each interview question were analyzed across institutions to determine the similarities and differences in philosophies and approaches. As an example, only two of the five institutions had published university-wide strategic plans – the senior leaders addressed why this was the direction for their institution, and discussed some of the related opportunities and challenges. Also, institutions had differing approaches to communication at the senior level, and these philosophies were revealed when comparing institutional answers across specific themes.

It was also critical to group the respondents by position. With each institution's president providing insight from that specific leadership lens, the data was rich to analyze the individual president's approach to running their institution. Likewise, trends were revealed when comparing senior leaders in Student Affairs, Finance, Advancement and other administrative areas.

The goal of this research is demonstrate the approach and philosophy elite private research institutions take with regard to strategic planning, decision-making and resource allocation. The conversations revealed a great deal, and the remainder of the dissertation will be dedicated to sharing those themes.

3.4   INSTITUTIONAL REVIEW BOARD

This study met approval requirements of the University of Pittsburgh Institutional Review Board (see Appendix B). It was approved as an exempt study.

3.5   SUMMARY

In this chapter, I reviewed the research design and methodology selected for this study, as well as outlined how the participant institutions were chosen for inclusion. I introduced some of the themes that were discussed in the interviews, as well as how the data would be analyzed to make connections that answer the research questions. The following chapters will introduce those themes and share the results of my research.

4.0   THE CASE STUDY INSTITUTIONS

4.1   INTRODUCTION

The purpose of my research is to better understand how elite private American research universities run – how senior leaders set strategic direction, how communication works within institutional walls, how and why resources are allocated the way they are, and how resources align with the strategic decisions. My field research consists of interviews with senior leaders at five highly-respected, private research universities in the United States.

As outlined in Chapter 1, I developed a set of research questions that were asked to each of the 22 interviewees (listed in Chapter 3). With a semi-structured interview approach, I asked follow-ups depending on the direction of each conversation. When conducting interviews of this nature, it was imperative to be prepared for the conversations with a basic understanding of the five universities in the sample. In this chapter, we will learn more about what the five universities say about themselves in this domain space.

4.2   THE FIVE UNIVERSITIES

In Section 3.3.2, I discussed the rationale utilized for selection of the five universities in my selective sample. It was important for me to have access to the senior leaders of the institutions

that were to be selected, and I relied on relationships to help make introductions at the presidential level. Once I had presidential commitments from the institution, I utilized that connection to help get in touch with other members of that university's administration. While it was certainly critical to be sure that I had buy-in from an institution to participate in my study, there were other criteria that also factored in. I did not want to study five institutions that had similar profiles in terms of endowment resources, relationships with local communities and approaches to intercollegiate athletics. I also was able to identify initial differences based on rudimentary research of approaches to strategic planning – in effect, which institutions seemed to have one available for the public, and which institutions did not?

Before the interviews with each of the 22 administrators, I spent time researching the five institutions to become more familiar with the universities prior to the conversations. This was a strategy detailed by Kezar (2013) and shared in Section 2.3.1. The next section will highlight some of those initial findings that helped inform the discussions. Following this review, we will analyze the conversations with each institution's senior leaders to better understand how philosophy meets practice.

4.2.1   Duke University

Duke is the eighth-ranked research university in the United States, based on the *U.S. News and World Report* Rankings (2016). The university is located in Durham, North Carolina, and has an international presence in Singapore, China and other areas across the world. In Fall 2015, Duke had 6,485 undergraduate and 8,465 graduate students enrolled in its 10 schools and colleges. The university has 1,718 faculty members with tenure, or on the tenure track, and 1,710 individuals classified as other faculty (Duke University Quick Facts, 2016). Duke has a respected medical

center and has won national championships in five Division I sports. President Richard Brodhead has led the university since 2004 and will serve in that capacity through the 2016-17 academic year, when he plans to retire.

Duke is in the midst of a strategic planning process that is being led by Provost Sally Kornbluth. The university anticipates that the draft of its strategic plan will be ready for internal review in Fall 2016 and presented to the Board of Trustees for approval in early 2017. While Duke engages in its current strategic planning process, it is still working off of its 2006 plan, titled "Making a Difference: The Strategic Plan for Duke University." That plan is broken into eight distinct chapters:

> Chapter 1: Building Distinction at Duke: Past, Present and Future
> Chapter 2: Challenges and Opportunities: Past, Present and Future
> Chapter 3: Duke's Enduring Themes
> Chapter 4: Academic Goals and Strategies to Build Distinction
> Chapter 5: Transforming the Campus: Central, West and East
> Chapter 6: Durham, Regional and Global Strategies
> Chapter 7: Strategic Investment Plan
> Chapter 8: Assessment
> (Duke University Strategic Plan, 2006).

In addition to the eight chapters, there is an appendix that includes executive summaries of individual school plans.

Within the fourth chapter, are six distinct goals. The goals include strategies, and often identify the need for funds to help in attaining those ambitions. Chapter seven is specific in outlining the need for strategic investment and funds to support the goals outlined in the plan. As an example, the Strategic Investment Plan begins with clear recognition that financial support is necessary for achievement of strategic priorities:

> Our planning has highlighted a number of ongoing priorities and critical new investments in programs and facilities that we must support financially if the plan is to succeed. Our Strategic Investment Plan will provide a blueprint for future resource development and

allocation. Specific financial commitments for annual program expenses and individual capital projects will be determined by the senior officers in the course of the regular operating and capital budget processes and subject to normal Board of Trustees review and approval through those processes (Duke University Strategic Plan, 2006).

The section discusses Duke's commitment to "managed decentralization" and its commitment to having central funds available for distribution by senior officers for strategic priorities. The Strategic Investment Plan is specific with the dollars that will be available for strategic use, and identifies where those funds will derive from. In its 2006 strategic plan, Duke clearly articulates its strategic focus for the next decade, but is also clear in its expectation that resources will be available to help achieve priorities.

4.2.2   Emory University

Emory is the 21st-ranked university in the United States, based on the *U.S. News and World Report* rankings (2016). Located in Atlanta, Emory is well-known for its leading health care system. In Fall 2015, Emory had 7,803 undergraduate and 6,921 graduate students enrolled in nine schools and colleges. The university has 2,945 faculty members and medical and law schools (Emory University Fast Facts, 2016). Emory participates in Division III athletics and has won 18 national championships across its program. President Jim Wagner has been leading the university since 2003, and will do so until his retirement in August 2016.

Like Duke, Emory is also in the midst of a strategic planning process and finishing a plan that has spanned an entire decade. Also like its counterpart to the north, Emory's process is being led by its provost, Claire Sterk, who was one of the participants in this study. Emory's current plan is titled "Where Courageous Inquiry Leads," and was adopted to encompass the 2005-2015 timeframe. Emory's plan includes sections such as:

Heritage, Mission, Values and Vision
Critical Review and Benchmarking
Overarching Goals and Accountability Indicators
School and Academic, Research and Major Unit Aspirations
Strategic Themes
Implementation Strategies and Strategic Programming
Strategic Financing Plan
(Emory University Strategic Plan, 2006)

Emory was clear in its expectation that the strategic themes would tie-in with the stated goals:

> All the themes are aligned with one or more of the University's goals, are supported through several initiatives that touch every corner of campus, and will be implemented in concert with the school and unit plans…As indicated in the framework, each theme has three or four associated major university-wide initiatives, which describe the specific means through which the University will accomplish its goals. (Emory University Strategic Plan, 2006).

The Strategic Financing Plan recognizes the importance of attaching resources to the strategic vision outlined. The opening paragraph of this section notes that:

> Achieving Emory's vision will require a carefully constructed financing plan to support implementation of the strategic plan. The financing plan recognizes the interdependence of various funding sources and the importance of the need to leverage funds in supporting key initiatives…Specific financial commitments for the annual program expense and individual capital projects will be determined by Emory's senior officers in the course of the regular operating and capital budget processes and subject to normal Board review and approval through those processes (Emory University Strategic Plan, 2006).

The financing plan makes assumptions about where those resources will come from, including fees and tuition, sponsored research funds, strategic investment fund, philanthropy and revenue from license and patents.

In reflecting upon some of the challenges that will be highlighted later in this chapter, it is interesting to note that two of those identified resource areas – fees/tuition and sponsored research funds – were noted as significant issues facing the five universities. Additionally, the increased pressure on philanthropy was noted as well. It seems clear that the challenges

recognized by senior leaders have the potential to threaten their ambitions to move strategic priorities forward.

4.2.3   Georgetown University

Georgetown is tied with Emory in the *U.S. News and World Report* ranking for the 21st best university in the United States (2016). The university is located in the nation's capital, Washington, D.C., and is the country's oldest Catholic and Jesuit university. Georgetown has nine colleges and schools, as well as an international presence in Doha, Qatar with its School of Foreign Service. In Fall 2014, Georgetown had 7,595 undergraduate and 8,185 graduate students enrolled in its schools and colleges. The university has 2,402 faculty members, including 1,390 who have full-time status (Georgetown University Key Facts, 2016). Georgetown has a medical center, law school and a Division I athletics program that does not compete in the highest level of NCAA football. John DeGioia has been the president of Georgetown since 2001 and is the university's longest-serving president.

Unlike Duke and Emory, Georgetown does not have an institution-wide strategic plan. The university does have a mission statement, which celebrates its Jesuit tradition and its existence as a "student-centered research university" (Georgetown University Mission Statement, 2016). Georgetown has nine schools, and many of those individual schools, as well as the administrative areas within them, have their own strategic plans.

Georgetown's lack of an institution-wide strategic plan is an intentional choice, and a decision that will be discussed in a later section. The absence of a plan, however, does not indicate the absence of strategy. President DeGioia, who was interviewed for this study, is clear

in his articulation of the university's goals and vision in speeches he makes. In a 2010 speech in Boston, he said:

> In the spirit of the tradition that animates this place, we must do all that we can do to make sure that Georgetown can realize its promise and potential in this new century. But how do we do this? Well, first, we do it with care and deliberation—choosing our investments and priorities with a strategic sense that is guided by four commitments: First, we're committed to strengthening our academic and research competitiveness…Second, we're committed to increasing the University's ability to address the most important issues of our age…Third, we're committed to strengthening our financial resources—ensuring that we have a firm foundation on which to build this future for Georgetown. And fourth—but emphatically not last in importance—we're committed to not only sustaining, but more fully embodying, our Catholic and Jesuit identity—ensuring that Georgetown advances the pursuit of truth and knowledge through the joining of "faith with reason" (DeGioia, 2010).

In President DeGioia's published speeches, as well as in the conversations with Georgetown's senior administrators, there are multiple references to strategy and values. Without a published university-wide plan, however, it was more challenging to have a sense for how Georgetown appropriates resources toward those goals. There will be further evaluation of this in a future section.

4.2.4 Stanford University

Stanford is the fourth-ranked university in the country, and is located in Palo Alto, California, which is located in the Bay Area. In the Fall of 2015, Stanford had 6,994 undergraduate and 9,128 graduate students enrolled in its seven schools. Ninety-seven percent of undergraduates reside on campus, and the top five undergraduate degrees are computer science, human biology, engineering, science, technology and society, and economics. The university has 2,153 faculty members, including 20 Nobel laureates (Stanford University Facts, 2015). Stanford has a law school and medical school, and one of the most competitive Division I athletics programs in the

country. In fact, Stanford has won at least one national championship in each of the past 40 years. John Hennessy has served as president since 2000 and will step down from his post in 2016.

Just as Georgetown does not have a university-wide strategic plan, neither does Stanford. Of the university's seven schools, only the School of Medicine has a published strategic plan that can be found on the university website. Many individual departments have strategic plans – as an example, the Department of Computer Science has a published strategic plan, and the School of Humanities and Sciences has a planning team that works with all units of the Dean's office.

President Hennessy, who was interviewed for this study, has utilized opportunities to share his vision and goals for the university community. He has done much of that around resource development, and highlights strategic positioning and resource needs in a 2011 address to the university's Academic Council. In his remarks about the success of the Stanford Challenge, the university's $4.3 billion capital campaign, President Hennessy shared the following:

> Financing for our enhancements to undergraduate financial aid, combined with greater need caused by the economy and a reduced endowment to fund these costs, led us to triple our fundraising goal for undergraduate financial aid. Likewise, threats to federal funding mean we need to increase the university support we provide for our graduate students. Finally, we also want to ensure that we continue to attract and retain the best scholars on our faculty, and restoring faculty positions reduced during the crisis will require new endowed faculty support (Hennessy, 2011).

It seems that much of Stanford's institution-wide goal-setting is attached to fundraising ambitions. President Hennessy's perspective on this is shared later in the study.

4.2.5 Yale University

Established in 1701, Yale is one of the oldest universities in the United States. It is also one of the most well-respected institutions in the world, and is ranked third among national universities in the *U.S. News and World Report*. Yale has 5,453 undergraduate and 6,869 graduate students enrolled in its 14 schools and colleges, inclusive of its law school and medical school. The university has 4,420 faculty members and 84% of undergraduates live on campus (Yale Facts, 2016). Yale sponsors Division I athletics, but as a member of the Ivy League, does not provide financial aid based on athletics ability. Like Georgetown, Yale does not sponsor Division I football at the highest NCAA level. President Peter Salovey assumed his position in July 2013 after serving as provost since 2008.

Yale is the third school in this study that has made the decision not to publish an institution-wide strategic plan. Like Georgetown and Stanford, the university has many departments with their own strategic plans. The university identifies sustainability as "a high priority for the Yale community" and published a Sustainability Strategic Plan. In remarks about that plan and priority, President Salovey said the following:

> Yale will invest $7 million per year for each of the coming three fiscal years for capital projects to improve energy conservation in key buildings across campus…have asked the Sustainability Advisory Council to review the University's current Sustainability Strategic Plan and to consider whether our university-wide goals are ambitious enough. (Salovey, 2014)

Yale also offers robust strategic plans for its Divinity School, University Library, Information Technology Services area, Alumni Association, and other departments. Additionally, Yale's Human Resources department discusses the important of individual goal-setting for staff members and the connection to the university's overall mission: "Higher level strategic priorities that have been communicated through all levels of the organization can be

used to inform the individual's goals. Even when strategic plans have not been communicated, the needs of those you serve are good starting points for setting meaningful goals" (Yale Performance Management, 2012). Also, on its University Finance webpage, Yale notes the following ambitions:

> The Division of Finance is responsible for directing the complete cycle of financial management activities of the University, including leading the strategic 10-year financial modeling and annual target-setting processes; designing and managing the process for the translation of strategic targets into comprehensive, well-vetted annual operating and capital budgets. (Yale University Finance, 2016)

Yale, like Georgetown and Stanford, does not have an institution-wide strategic plan, but each of these three institutions has been clear that there is a relationship between strategy and resource allocation. The purpose of this study is to determine how these philosophies, similar in some regards and disparate in others, come into practice for some of the most elite, and wealthiest, institutions of higher learning in the country.

5.0   RESEARCH FINDINGS

The previous chapter provided a basic introduction to the five universities in the sample. Thorough reviews of the institutional websites, and the documents they share with the public, it was possible to develop a beginning sense for institutional priorities and culture. The next step for learning about the universities, and this defined area of American higher education, was to interview the senior leaders of the five institutions and directly engage them with the research questions.

In this chapter, I will highlight the significant themes that emerged from the conversations that directly impact the approach the universities take with strategic planning and resource allocation. This chapter will be split into topical sections that introduce the findings from the research and correlate those findings with the guiding research questions.

The chapter is split into eight topical sections that address the research questions. The section themes include challenges facing certain elite private research universities, the presidential perspective on strategic planning, the communication approach employed at the senior administrative level, the impact of decentralization on strategic alignment, the role non-academic activities, especially intercollegiate athletics, have at some of the country's finest academic institutions, the role and influence of faculty and the alignment of resources and strategic decision-making. The order of presentation was selected through analysis of the most logical way to share the findings.

It is important to reiterate that while the guiding research questions were asked verbatim, the respondents didn't always answer the questions directly. Most important was to utilize the information shared and organize the responses to help understand themes that address how universities such as the ones in this sample truly run with regard to strategy and alignment. Chapter 5 presents those themes.

5.1   CHALLENGES FACING ELITE AMERICAN PRIVATE RESEARCH UNIVERSITIES

In Chapter 3, I discussed the selection of qualitative interviewing as the research method utilized for this study. I researched the various types of qualitative interviews, and spent time reviewing the literature on elite interviews, which as mentioned in Chapter 2, are "a specific research methodology…based on the assumption that access to elites is often difficult and therefore key people that participate in a process are often not interviewed" (Kezar, 2008, p. 415). Given that research approach, I developed an interview script to guide a semi-structured approach, which provided the opportunity to ask pertinent follow-up questions to the interviewees based on the direction of that particular conversation. The remainder of this chapter will be dedicated to sharing the results of those qualitative interviews, while Chapter 6 will include analysis of the research results.

The first question I asked each of the 22 participants in our interviews was to describe the challenges facing their particular sector of higher education. Respondents were asked to share their perspectives from both an institutional and positional lens. I opened with this question to

get a sense of what senior leaders are facing on a daily basis, and what is on their minds as they develop strategies and allocate resources for their particular institution.

There were a number of topics the respondents raised with regard to the challenges their institutions are presently facing. The most common topics addressed by the senior leaders were access and affordability, reduction in government funding for research, relationship with the local community and resource constraints.

5.1.1 Access and Affordability

The institutions included in this study are some of the most highly regarded and well-endowed private universities in the world. Table 3.2 demonstrates this wealth in terms of endowment level. There is significant variability in those endowment levels – Yale and Georgetown are both renowned institutions, but there is no question the institutions have differing financial realities. Regardless of the five institutions' financial positions, however, senior leaders from each of the schools raised the issue of access and affordability as a significant challenge facing their school, and the sector in general.

Respondents were certainly aware of their position in American higher education – and ability to discount tuition with financial aid to ensure access and diversity – but there was clear understanding and concern with the current model. As one president shared when asked about current challenges facing this sector of academe:

> Finding the means to live up to the actual promise of open access and affordability – I think that's the most important challenge for every institution, and I think also for our country nowadays. In American history, there have been times when great schools were principally open to wealthy people and that's not a good way to develop the social capital of the future, so I would certainly put access and affordability at the top of my list.

There is absolute recognition that access and affordability are societal issues, and that as leaders in American higher education there is a responsibility these particular institutions have to not only participate in the conversation, but work toward finding sustainable solutions. With average 2015-16 tuition and fees of $47,637 (not including room and board), (*U.S. News and World Report*, 2016), the five institutions in this study are some of the most expensive to attend in the world. Because of their relative financial positions in the marketplace, many of the institutions prioritize need-blind admissions to ensure appropriate diversity in their student populations. As one provost explained:

> What I like about (our institution) is that we are a need-blind institution that meets full need. From a values perspective, that is extremely important and something that I'm proud of, but it does raise challenges in terms of making sure that we have the financial resources to support all the students.

The tuition discount rate is calculated so that institutions understand how much, on average, they are reducing the price students pay to attend. Indeed, different students are charged different amounts for the same educational opportunity, and the process of determining those individual charges is called tuition discounting. Each of the institutions in this cohort discounts tuition at a significant rate. The discount rate is calculated by taking the average institutional aid per student and dividing it by the published tuition and fee rate. While we do not have exact discount rates for this study, we were able to get important data that demonstrates the institutions' approach to financial aid:

Table 5-1 Institutional Approach to Financial Aid

Institution	Cost of Attendance	Avg. Undergrad Financial Aid Award	Avg. Percent of Need Met
Duke	$67,399	$44,635	100%

Table 5-1 (continued)

Emory	$63,058	$40,309	97%
Georgetown	$67,557	$39,693	100%
Stanford	$65,177	$44,043	100%
Yale	$65,725	$48,261	100%

(Collegedata, 2016)

Many institutions within the United States lack the resources to combat access and affordability issues in meaningful ways – that is not the case with the five institutions in this study. Four of the five universities in the cohort are investing resources to meet the full demonstrated financial need of their student populations. That does not mean that affordability and access are not an issue for the institution; in fact, almost all of the senior leaders recognized this was one of the greatest challenges currently facing their institution. As costs rise, institutions may not be able to meet the financial need of students in the same way, and that seems to be a significant concern. And if resources are invested in financial aid, then they do not go to other areas of the university.

Of the more than 7,000 institutions of higher education in the country, a large percentage is enrollment-driven and relies on tuition and fee dollars to keep their doors open. While the concerns and challenges are different for the elite private research universities, there are still issues to consider and important decisions to be made. One president put this perspective into context: "We don't have to worry about yield management certainly. We do have to worry about financial aid and that is certainly something that has been an ongoing challenge as we've fought to reduce net costs, and reduce debt levels."

The investment in financial aid is real, and requires real dollars. With escalating tuition costs, and commitments toward ensuring access and affordability, institutions meeting students' full financial need are investing resources consequently not being allocated to other areas. This philosophy requires important planning and coordination. A senior vice president responsible for institutional finances shared the following:

> At the core, one of the key issues we deal with is around access and affordability. So how in my role do we construct a financial plan and allocate resources between capital and operating in coordination with our academic leaders and help support both the pricing of tuition and the tuition-setting policies?

When individuals are asked about challenges, the logical follow-up is how do they intend to combat those issues and work toward solutions? Certainly, the affordability and access issue in higher education is more significant than the collective will of five institutions, but it is important to recognize that leaders of American universities are thinking about how the system can improve. At an institutional level, whether financial aid is an issue or not, senior leaders seem to be trying to fix their own accessibility concerns. According to one president:

> The solution is not anything a university by itself can do. I came from a school where probably 80% of need-based scholarship funds were backed by endowment, and when I came (here) it was about 15%. So that gave you one obvious place of action, which is to try and help your body of alumni and friends understand the need to create permanent support for permanent obligations.

There was also a realization by a number of participants in the study that there is inherent risk in their particular model. Memories of the economic downtown in 2008 and 2009 are still fresh for leaders of American universities, and while the markets have stabilized, there is an understanding it could happen again. If the markets fall, institutions like the ones in this study may have more difficulty meeting their commitments to need-blind admissions and financial aid

packages that meet full need of attendees. This perspective was shared by a vice president for finance:

> We can continue, based on the desirability of our product with our market, we can continue to raise tuition rates pretty aggressively, and we have, but we have a corresponding commitment to need-blind admissions. For now, as long as the markets continue to behave, that is a sustainable model for us. On the financial aid side of the equation, at some point that can turn on us quickly, and it did during the economic downtown, and then suddenly that need-blind position that we and a handful of others have, becomes very problematic from a funding perspective. How do you finance that?

The five institutions in this study are aligned in their concerns about affordability and access. One of the important aspects of this research is to determine whether the respondents' words and thoughts are reflected in the tangible actions their respective institutions take on a daily basis. In this case, the answer is an emphatic yes. As an example, Duke is in the midst of a $3.25 billion capital campaign entitled "Duke Forward." In establishing its campaign themes, the university recognized the need for "Sustaining Duke's Momentum." The $1.25 billion goal specifies that resources raised in that area will help to support financial aid (Duke Forward, 2016).

In "The Campaign for Georgetown," the university's $1.5 billion capital campaign lists "scholarship" as a key imperative. More specifically, the university's "1789 Scholarship Imperative" supports undergraduate financial aid and a $500 million target was set for scholarships as part of the campaign (Campaign for Georgetown, 2016).

Affordability and access are critical issues within higher education, and despite their relatively robust positions in the marketplace, these challenges are front of mind for each of the institutions represented in the research cohort. It is important to note this concern was shared by leadership from the wealthiest institution (Yale), leadership from the least endowed institution (Georgetown) and all institutions in-between.

5.1.2 Government Support for Research

President Barack Obama's 2016 budget included a 6 percent increase to the National Institutes of Health (Schubach, 2016), but prior to that action, NIH and National Science Foundation support of higher education research was becoming a major challenge for institutions reliant on those dollars to carry out their work, especially in the sciences. Howard and Laird (2013) wrote that "funding rates in many NIH and NSF programs are now at historical lows, declining from more than 30% before 2001 to 20% or even less in 2011" (p. 71). Schubach (2016) notes that:

> back in 2013, budget cuts, known as sequestration, required the NIH to slash its budget by 5 percent, while the NSF had to trim its own by 2 percent, or $586 million. Further exacerbating this deficit, funding to the NIH hasn't kept pace with inflation…. Sequestration has taken a toll on investment in science at schools. (para. 2-3)

The Association of American Universities (AAU) is an organization of "62 leading public and private research universities in the United States and Canada" (About AAU, 2016). This group of North America's elite research institutions has particular interest in government support of research, and has been clear in its frustration with the current United States administration. In a February 2016 press release about President Obama's FY17 budget, Association President Hunter Rawlings wrote:

> In the long run, our country needs to recognize that we face the threat of an innovation deficit caused by the combination of our own still-inadequate investment in research and higher education while other countries race to catch and bypass us. Only when Congress and the President are prepared to deal with the actual causes of the nation's long-term fiscal issues will there be adequate resources to fuel our nation's economy and its future. (Rawlings, 2016)

This toll has been felt by some of the country's finest research institutions, as there are fewer dollars available for grants that support cutting-edge work being done in classrooms and laboratories. Leaders of institutions are faced with difficult decisions – they can find alternative means to support research, allocate resources away from other institutional areas or reduce the

research they are doing. The impact of the budget reductions has been felt, and one president shared some of his angst about the state of affairs:

> We, like everybody, feel that the government in its fiscal stringency in the last six or eight years, has ceased to think of research funding as an investment. That's a challenge for universities. So much of the good of our society has flowed form university research, but how do you make the case of that at a time when the government fiscal process is so restricted, by so many irrational facts?

Duke, Emory, Georgetown, Stanford and Yale are all classified as Research 1 Institutions by the Carnegie Classification of Institutions of Higher Education. A Research 1 institution is a doctoral university with the highest research activity. Fundamentally, these are institutions with some of the most accomplished researchers and scholars in the country, and their missions include a commitment to research and discovery. A Vice President for Finance acknowledged the reduction in research funding impacts the entirety of the university operation:

> Almost 50% of our model is research funding. So any constraint in that area, any pressure in that area, has a dramatic impact on the culture of the place. And if the funding environment, particularly from the federal government, remains problematic, that impacts everything.

One of the themes that emerged from my research is the increased pressure and reliance on institutional advancement and fundraising to increase resources for the university's use. Reduced federal spending on research puts more pressure on other areas of the institution, and this impact was shared by a Vice President for Advancement:

> Funding sources for universities are flattening and falling. And of course the principal problem is the National Institute of Health and federal research money for health and medical research, and there's less money that's being chased after by more institutions, and that's measurable in every possible way and evident in every possible metric for brand activity and productivity and capturing yield rates.

There is a sense that although the institutions included in this study may have more resources than most, the reduction in federal support impacts all of higher education, especially those research-oriented institutions. This sentiment was shared by a president in the cohort:

We do share something with many of our peer institutions, which is the overriding concerns around reductions at least in real dollars of federal support for research, and what that does to a financial model that is very dependent on those sources both for graduate students and faculty support. That's a global problem I think all higher ed institutions face at both publics and privates that are R1s.

Another president of an institution with a medical school acknowledged the impact the federal budget has on his institution:

We are very dependent on research funding from the government and gridlock in Washington threatens the NIH and NSF budgets every year, and because we have a very large medical school, we are very dependent on revenues from clinical work done by our faculty, and in an era of health care consolidation and reform in the way health care gets paid for, there's a lot of uncertainty there. Those are some of the issues that constrain strategic planning and decision-making.

If government support of research is decreasing, the cost of conducting research for universities is heading in the other direction. That trajectory brings a significant challenge, and many questions facing senior leaders. Some of those questions were shared throughout our conversations:

What does research and the academy look like over the next 20 years with the reduction in federal support?

How do you stay current in areas like science when the costs are so astronomical? Do you have to make choices? How do you decide to tackle something that's so core that needs to be strengthened, there's no question, but given the decreasing role the government seems to play in basic research for example, how do you reconcile the costs that it takes to make aspects of (this university) like that great?

Like access and affordability issues, the concerns about reduced federal support for research were shared by all institutions in the cohort, and there was clear uncertainty regarding what that means for the future of higher education, and likewise, the future of American society, which has relied on its universities for many monumental discoveries and breakthroughs. As one vice president put it, this shift in support has "increased the cost of research quite considerably." If institutions do not receive the same support from government sources for research activities,

and must allocate more of their own resources to that area, it has an impact on the available resources for the remainder of the institutional operation. This was identified as a pressing challenge facing today's major research institutions.

5.1.3 Relationship with Local Community

In selecting the institutions for my study, I was cognizant not to choose universities that had many similar defining characteristics. As an example, I did not want to have five institutions that sponsored Division I athletics at the highest levels. Also, I wanted to ensure that geographical characteristics of the institutions differed from one another. In selecting Stanford, I knew its location in the heart of Silicon Valley would mean different things than Yale's relationship with the city of New Haven, or Duke's position in Durham. For a number of logical reasons, Georgetown's location in Washington, D.C. was of extreme interest.

It is important to note that many of the interviewees recognized that the challenges their institutions face are connected to one another. As mentioned previously, if the federal government reduces its investment in research, and institutions spend more funds in that area, there are fewer dollars to positively impact access and affordability. Likewise, for some institutions, there was a clear connection between the relationship with the community and access and affordability.

As an example, Georgetown has a program that provides scholarships for District of Columbia students. The program, which was established by former president Leo Donovan, utilizes endowed funds to: "provide need-based awards for students from high schools located in the District of Columbia to study at Georgetown" (Georgetown University Office of Student Financial Services, 2016). And at Emory, "aspiring doctors and undergraduate students volunteer

83

their time to mentor Atlanta public high schoolers in the health sciences to inspire confidence and encourage college attendance" (Emory School of Medicine's Pipeline Program, 2016). The interviewees identified the relationships with their locales as challenges they face, but there are demonstrated initiatives in place to help address those challenges.

In interviewing the senior leaders of the five universities, it was apparent that the town-gown relationship could be both a challenge and an opportunity for the institution. While I expected to hear about the impact the universities made on their local environments, I was surprised to learn how significant the relationship with the community was for the success of running the institution. As a Duke administrator shared about the university's relationship with the city of Durham:

> We're part of a local environment and for us, for instance, as Durham goes, so goes Duke. Maintaining an appropriate relationship with the local community, the region, the state, neither overshadowing the local environment because we're the second largest employer in the state, but also being part of economic development, being part of problem-solving in the local school systems, being part of the political landscape with appropriate attention to all of the local and regional causes is an important role as well.

A similar sentiment regarding the relationship between the university and local environment was shared by a vice president at Yale:

> I think like many institutions, we're in a city and we're intertwined with our community. We can't separate ourselves from New Haven, and we shouldn't, but we have to make the university at the core of what we do, as it relates to the city. So how to balance all of that, how to make the city a place that's vibrant and strong, both because of the partnership we have, but also to attract faculty, students and staff and be a place that people want to come and live and learn. I think it's maybe unique to colleges that are in cities, especially in our country right now.

The institutions were not only acutely aware of their surroundings, but embraced the competitive advantage that could come along with their respective location. As an example, a senior leader at Georgetown noted that the university might not have the same impact globally if it was located elsewhere:

We believe a unique, or near-unique advantage of Georgetown, is the fact that we're in Washington. I often say if history had planted us in Ames, Iowa, I'm not sure we'd still be alive. The Washington locus of Georgetown, is a key ingredient in the strategy going forward. Some of these programs are going to link in to existing institutions in Washington. Some of the faculty will be joint. We're blessed by being in a city where the World Bank, the IMF, the Pan-American Health Organization…there are just a bunch of international organizations that themselves are problem-oriented.

One of the real issues faced by some institutions is the cost-of-living associated with their locales. While no one will sympathize with Stanford's endowment or financial position, the university clearly must account for the advantages and disadvantages of its location in Palo Alto. One vice president elaborated on those potential challenges and the financial ramifications:

Relatively unique to Stanford is the extremely high cost of housing in our local area. That impairs our ability to recruit and retain faculty and staff, and makes it more expensive, because we have to spend money on subsidized housing programs or pay people more to allow them to afford the cost of housing. It definitely causes a relative rise in expense to us compared to our peer groups. If I were to compare, for example, to Yale, just to pick on them, the cost of an average three- or four-bedroom house in the community surrounding Stanford is over $2 million today. That equivalent house in the area surrounding Yale is about $200,000. As a result, for the same set of activities, our expenses are higher.

While this could potentially be construed as a community relations issue for Stanford, it seems to be more of a competitiveness challenge for hiring and retaining staff and faculty. Stanford utilizes much more of its institutional resources to address this issue than institutions like Yale and Duke. And while individuals and families can pick-up and change their locale to accommodate a desired lifestyle, Stanford cannot pick up and move from Palo Alto, and Emory cannot leave Atlanta if the cost-of-living spikes. Harvard has been located in Cambridge for hundreds of years, and will remain in that geographic location for hundreds more. That means that the institutions have to be nimble enough to deal with changes in the local environment, without compromising their ability to execute their missions and strategy.

It is also important to note that colleges and universities bring thousands of 18-to-21 year-olds into their local communities, and with that many bodies running around town, there are bound to be issues that arise. As one vice president recognized, the relationship between the university and surrounding community is critical for overall productivity:

> Several years ago, we got ourselves into a more positive context, and into a partnership with neighborhood leaders and city agencies. It's very positive to be in partnership rather than fighting, but it's also a great deal of work and has real resource impacts to be in partnership.

Regardless of location, it is clear that colleges and universities must work closely with their surrounding community. This can be an opportunity, as well as a challenge, but there are certainly resource requirements in terms of time and money to address some of the issues that the senior leaders have shared.

5.1.4 Resource Constraints

One of the things I wanted to learn through my research was how institutions align strategy and resources. There will be significant discussion of this topic in Section 5.7, but it is important to note that interviewees discussed resource constraints as a challenge facing their institutions, and this particular sector of higher education. As I work at an institution that fits into this particular cohort, I am not surprised that there are resource challenges facing the universities I studied. It is unrealistic to assume any organization can operate at a high level without being concerned about the bottom line. I was surprised, however, that some of the wealthier institutions I studied seemed to be focused on resource challenges in much the same way as some of the less-endowed institutions.

Additionally, while tuition and fees were identified as a major challenge, and everyone understands the sticker prices for institutions like those in this cohort are untenable for most, the reality is it costs more to educate a student at one of these universities than the tuition and fees account for. The universities subsidize tuition to cover the full cost of educating their student bodies.

It was clear that institutions make choices on what to prioritize and where to spend their dollars. At one institution, for example, there was a clear priority to spend money on human resources. As a Vice President for Administration noted: "Sixty percent of our operational budget is tied up in compensation and benefits. So what we do in that space has enormous impact in terms of available resources or resource allocation."

There was acknowledgement that the financial positions of these particular universities are the envy of most institutions of higher education, but it was also clear the senior leaders knew they needed to spend a lot of money to keep their institutions on top. In addition, the funds needed to stay current with IT infrastructure and other compliance measures can take away from the strategic pot of money. As one provost shared:

> We have lots of resources, but also lots of ambitions, so challenges around optimizing resource allocation, ensuring that we are in compliance in areas with which we want to be in compliance. And that's just one of many examples of ways you have to invest institutional resources that really become a drain from the academic mission of the institution. IT would be an example, research administration and compliance would be an example there. We do a very good job in terms of ranking academic and budget planning, but like many institutions, our aspirations exceed our assets.

In an environment where costs continue to rise, and there is uncertainty regarding revenue streams to pay for it all, demands are being placed on advancement and fundraising personnel to develop new resources. The vice presidents for advancement interviewed in this study acknowledge this is a major challenge for them and their teams: "All our traditional

87

revenue sources are constricting, federal dollars, research dollars, tuition dollars, we can't keep raising tuition, so more and more, the thoughts turn to development and resources coming from philanthropy."

Being the least endowed institution in the study, Georgetown seems to have more challenges in this area than the other universities. A vice president from the university shared that constricting resources make it challenging to prioritize campus needs:

> We spend a lot of money because what we do, and what we provide, costs a lot of money. So when we start cutting operating budgets, at least in real terms by not even keeping them up with local market cost inflation, there's a real impact. It's felt on the speed with which we provide capital maintenance for dormitories, the level of staffing for ancillary services (ancillary to academics, but core I would argue to the student experience), things like student health and career counseling.

Given the sentiment being shared, the question becomes, what is the impact on the institutions, and the students they serve? In the opinion of one vice president, it means that some difficult decisions are going to have to be made:

> I think none of us openly talks about it, but I think the reality is we've probably reached the high-water mark for total investment in the university experience, including the student experience. I think some of the very valuable, but strictly speaking, ancillary services we've grown accustomed to are going to have to start shrinking in absolute measure. I just don't see any alternative to it.

There are clear concerns about resources within the five institutions studied. We will explore this area in greater depth later in the chapter.

5.1.5   Other Challenges

The challenges noted in the previous sections of this chapter were consistent themes in the conversations I had with senior leaders from the five universities in my study. I asked the

interviewees to share their thoughts on the challenges facing higher education from an institutional lens, and from the seats they occupy. With that perspective in mind, there were additional challenges raised that are important to mention.

A critical piece of my survey research had to do with investment in, and prioritization of, non-academic activities and services in a highly-competitive academic environment. That topic will be addressed more fully in Section 5.6, but this initial question revealed that some senior leaders recognize challenges at their institutions with regard to the juxtaposition of academic and non-academic priorities. As one vice president of student affairs put it:

> We're trying very hard to not refer to our work as co-curricular. I'm working very hard with faculty leadership to narrow the divide between the in-class and the out-of-class experience. In a sense, we're talking about education as the intersection of the didactic and experiential. Student Affairs has more influence on the experiential than we do on the didactic, but in some ways what we're saying is the sum total of education (here) is the intersection of the didactic and the experiential.

Are non-academic programs and activities as vital to the campus community as the learning that takes place inside the classrooms – especially with the cost of entry for students continuing to escalate? All of the interviewees acknowledge the great importance of what happens outside the classroom, but there is undoubtedly a challenge when resources come into the picture. As an example, a president shared his perspective on the challenge:

> The high cost of the non-academic side of the university, not through the reasons that you see in the media, but because the pressure on the university, whether from regulation or student needs or whatever, let alone the cost of maintaining buildings, utility costs, or living in a complicated urban environment. All of those create costs for the institution that focus decision-making and funds away from the academic side.

There were a number of comments related to the expectation of institutions of higher education within society; that is, what is a university's function supposed to be? Is it to educate

for a national agenda, or to educate whole beings who can add to society in a myriad of ways?

One president identified that particular challenge for his institution in a larger context:

> Society, through our government, over really just a little more than a century-and-a-half in the U.S., has discovered the potential utility of universities, and sadly, too often, our universities have agreed. If you go back to 1802, which is the founding of the U.S. military academy, the overlap between the national agenda and the university was miniscule. The focus on utility of universities for both national security, economics and health – those are the three narrow topics that everybody is very proud our research universities are doing, and they think all universities ought to do at least one aspect of that. But it's much narrower than what the society needs.

Interestingly, the government's investment in research at institutions like the ones in this cohort has given it a seat at the table regarding the work done in laboratories and classrooms. If institutions are forced to invest more of their own resources in research because government sources are constricting, that would seem to provide more flexibility for university researchers to be untethered in the work that they do. The senior leaders interviewed in this study were clear about the importance of government funding for research, but it seems important to recognize that relationship comes with public sector influence. If the research becomes more privatized with institutions taking on more of the expense, it seems likely that universities will drive the future research of the country in a more direct way.

Multiple senior leaders noted that sexual assault and mental health issues are significant areas of focus on their respective campuses. Additionally, institutions have seen more campus protests and student activism recently, especially with regard to issues of race and diversity:

> In terms of risk and compliance, clearly one of the largest challenges that faces my division, everyone I work with right now, is around sexual assault and Title IX compliance. The fact that landscape is evolving rapidly and that there is a great deal of oversight and contention around those issues. That is probably the most time-consuming challenge I'm facing right now.

> Most recently, there's been a lot of conversation around race and freedom of expression. That's been around but it has certainly become a lot more prominent in recent weeks, and

it's not the sort of thing we think is necessarily going to go away, nor should it, so I think that will be part of our institutional context for a long time to come.

As we continue on and more directly tackle the issues of resource allocation and strategic decision-making within this sector of higher education, the words of one president regarding the cohort's role in academe stand particularly strong:

> We are expected to be examples and be at the forefront of some of the challenges of higher ed.

In this section, we examined the challenges senior leaders at Duke, Emory, Georgetown, Stanford and Yale see at their institutions, and within the context of their particular sector of higher education. The first research question I presented was focused on understanding the challenges facing this sector of higher education. Throughout the conversations I had with the 22 individuals, themes emerged in our discussions regarding current challenges. The administrators identified access and affordability issues, dwindling government support for research, relationships with the local environment, and resource constraints as the major challenges they face. To be sure, there were other challenges raised, and many of those are noted later in the study.

It is evident that despite being some of the best resourced institutions in the country, there are still a number of challenges these institutions must deal with every day. As we move forward, we will narrow our focus on the strategic approaches employed by these five universities, and the way operating budgets and plans align with institutional goals. In the next section, we will learn more about the perspectives each institutional president has regarding strategic planning.

5.2   PRESIDENTIAL PERSPECTIVE ON STRATEGIC PLANNING

The institutions in this research cohort are some of the wealthiest, in terms of endowment and operating budgets, in the country. As the previous section discusses, that does not mean these universities do not have challenges. In Section 4.2, we reviewed some of what the five universities say about themselves, and some of the strategies they employ within their operations. Now that we have a basic understanding of the challenges the institutions face, the question is, what do they do to combat those challenges? How do they utilize the available resources to develop strategies to move forward?

As described in the previous section, only two of the five institutions included in this study have a published, university-wide strategic plan. It was an intentional choice to select institutions that had different approaches to strategic planning, and an important question I asked interviewees to share perspective about in our discussions. One of the major purposes of this study was to determine how institutions run, and also determine whether senior administrations are aligned in their communication and perspectives. As a starting point to understand alignment at the institutional level, I asked the second research question regarding the presidential perspective on strategic planning and resource allocation. In this section, we will review what the presidents of the institutions shared in response to that question.

Duke President Brodhead (2015) was clear in his perspective that the university's strategic plan had to be tied in direct fashion with resources. Not only is the budgeting process tied to the strategic plan, but the institution's fundraising aims are also closely connected. Duke practices responsibility-centered management in its budgeting philosophy, providing the individual schools and departments with the majority of the university's funds while embracing the concept of decentralization. As President Brodhead notes:

This is a university that's relatively weak in internal funding sources in the center, because we put as much as we can of the resources of the university out into the hands of our various units. The units themselves have strategic plans. What's strategic for the university and what's strategic for the law school are overlapping but they're not identical. So really the art at Duke is how can you get all of the strategic plans to be strategically aligned with one another?

President Brodhead recognizes that with the decentralized nature of campus, the culture of his community and the collaboration between institutional leaders is of paramount importance if Duke wishes to push strategic priorities forward that benefit the entirety of the institution. With fewer resources held centrally, President Brodhead sees collaborative practice as critical to the university's success:

> Duke really has a culture of collaboration…because at the same time when people have responsibility for their resources, they use them more cannily than if they're always just trying to beg some more from you. Our deans are very canny users of resources, but then they understand that there's a certain kind of thing that's good for them that's never going to be at the top of their own list. So creating university-wide initiatives that benefit everybody, that's been the heart of the strategic planning exercise at Duke.

The other school in this cohort with an institution-wide strategic plan is Emory. President Wagner offered a similar perspective as President Brodhead with regard to the importance of the strategic plan within the university setting, especially with the way it relates to budgeting, financing and resource allocation across the institution. President Wagner (2015) also recognizes that the Emory strategic plan provides opportunities for the university to identify resources it can attach to new ideas, not all of which might work:

> The broad plan sets the focus and also establishes some means of facilitation. We were able to go into that having identified in 2005 a chunk of money that we could use for investment and even gambling. I say gambling because we knew that of the several initiatives, not all of them would succeed, but some would. These have indeed guided the annual operating plans.

At Emory, the strategic plan has also been utilized to help provide a vision for the campus community. President Wagner sees the plan, but just as importantly, the process, as critical hallmarks of a strong university:

> If it's not just a foregone conclusion that all society and the media and funders are all exactly on the same page about where we are going and what the values are, then the university needs to be able to say that. Say we have a vision about where we are going and a strategic plan that provides us a roadmap that gets us at least part of the way there. I think it is helpful in a declarative sense – to declare that this is what we're doing and where we are going.

But not all institutions behave the same way, and while the five universities in this cohort share many similarities, their approach to strategic planning is not one of them. While we established earlier that strategy undoubtedly is emphasized within all of the institutional settings, the presidential perspectives on how this is done, and why it is done that way, certainly differs. Georgetown President John DeGioia (2015) shared a great deal about how strategy shapes his university, but he also acknowledges that the institution is not necessarily traditional in its approach:

> We would frustrate any student of strategic planning. Any new Board member comes on and says let me see your strategic plan. Well not so quick. I can tell you a story, I can show you certain metrics that we have internally, I can show you the kinds of themes we are pursuing opportunistically. The traditional, what are your objectives, what is your SWOT analysis, what are the metrics that you're using to evaluate your performance to objectives? I don't see that. I don't see too many traditional strategic plans. Because I think they're static, fixed in time and they really are stultifying.

Not having an institution-wide strategic plan does not imply there is a lack of institutional planning; indeed President DeGioia was clear there are a multitude of plans that help Georgetown run. Most notably, the emphasis on finances is critical, especially for an institution like Georgetown, which has achieved great success on the global stage, despite being one of the least-endowed institutions ranked among the nation's top 25 universities. The financial strategy is one that President DeGioia says permeates the entirety of the university:

94

We're very disciplined on the finances. We have produced one, three and five-year financial plans for as long as I can remember, and embedded in all those plans is the delivery of our mission…Our basic strategy is to deliver our mission and to identify a handful of places where we think we need to grow in order to be even more competitive five years from now or 10 years from now…Our budgets are pretty tight, so it's actually our philanthropic work, our fundraising efforts that have been instrumental in enabling us to be able to really advance strategy.

President DeGioia clearly embraces strategy, and the way it relates to resource allocation and development, but he does not believe an institution-wide strategic plan is necessary to achieve those aims:

I think the traditional model is dead and instead we're using some more vibrant models for exploring strategy, but the most powerful is trying to find ways to engage your own community, your faculty, in a set of projects, in a set of processes, that enable them to unlock the potential of the place, to realize its promise.

Despite having an endowment that exceeds $22 billion, which is third highest among United States universities, Stanford still recognizes that funding strategic initiatives from the operating budget can be a challenge. Like others in the cohort, Stanford has most of its resources allocated to units, which leaves a smaller percentage available for the central administration to utilize on new initiatives. President Hennessy (2015) addresses the challenge that exists in connecting operating resources with strategic ideas:

The operating budget, like I suspect most institutions, the operating budget simply doesn't have enough money to accommodate very many things in that form…The way we would approach a new strategic initiative is probably through some combination of fundraising, one-time money and then some operating budget support. But I think the truth is we can't marshal much operating budget support into a new initiative. I would guess that our operating budget per yearly basis has about 2 percent slack after paying for major things, so you're not going to get very much done with that amount of money across the entire institution, so we instead try and find other resources and Development is the primary resource I think in that case.

At Stanford, a university-wide strategic plan was utilized as the support for the institution's capital campaign, and that type of approach is used within Stanford's various

schools. Because strategic initiatives at Stanford are generally tied to fundraising, the president is

intimately involved in helping to execute those plans:

> Since so many of our strategic objectives – moving into a new area, developing new programs – become quickly associated with major fundraising and development priorities, I'm sort of the key person in terms of helping to shape. We've very much a bottom-up driven organization, everything kind of starts from the bottom up with the faculty, but certainly together with the deans and the provost, we try to shape it into something that will be a compelling opportunity for philanthropy.

Salovey, who served as Provost at Yale from 2008-13, became the university's president

in July 2013. While Yale does not have a published institution-wide strategic plan either,

President Salovey was clear that the university employs a strategic planning process and

mentioned Yale's "seven goals" a number of times throughout our conversation. Those seven

ambitions are clearly outlined on the university's website, and while there may not be a formal

plan attached to them, President Salovey (2016) has utilized those goals to drive university

operations:

> We do have an explicit strategic planning process, where in consultation with each of the deans and each of the vice presidents, I establish long-term and short-term goals for the university with strategies and tactics associated with those goals. We have a set of seven goals right now. And so obviously there's a priority for goal-based projects.

One of the most significant parts of this research is to understand how the vision set by a

president and senior administration is effectively communicated and adopted by the rest of the

university. At Yale, President Salovey has been clear in articulating the seven goals with other

administrative areas, and there seems to be an expectation that those goals will help academic

and administrative units in their own goal-setting process:

> Those seven goals got refined through discussions by the Cabinet. Then every unit, every dean, every VP, sets their annual goals organized by those seven university goals. They may not address every one of them, but we ask them to organize it. And often what we'll do is say what are your five-year goals for your unit, keeping in mind the five-year goals for the university, what are your goals for the coming year? And then we help them develop strategies and tactics around them.

96

The concept of alignment is a challenge, especially with a large, decentralized institution. It is unclear if a published strategic plan makes an impact with aligning an institution, but even with clearly articulated goals, President Salovey recognizes that alignment is both challenging and time-consuming:

> I will say I think the biggest challenge, because universities are decentralized, because there are multiple constituencies and because we operate in a complicated, ever-changing world, I think the biggest challenge around strategy is alignment. We are a culture that values academic freedom and free expression and individualism and innovation, and those are conditions that are precisely the opposite of say the military, or even a lot of corporate settings. Certainly traditional corporate settings. The result is it's hard to align the community. So one can have annual goals, or even goals for a decade, and it's not like major parts of the community even pay attention to them, and that's a pretty good challenge. Alignment is always the challenge.

Clearly there is not a one-size-fits-all approach to strategic planning. The presidents have varying perspectives on how strategy, and its alignment with resources, should work at their respective institutions. While the presidential perspective is of paramount importance, I was eager to learn how that viewpoint impacted others within their senior administration, and how the adoption of a formal institution-wide strategic plan, or decision not to publish one, impacted the rest of the community and its ability to carry out strategic work.

Having a formal institution-wide strategic plan is not a prerequisite for being one of the most respected and renowned institutions in the country. We can conclude that institutions without strategic plans do indeed utilize strategy, and regardless of this decision, there is not a relationship between publishing a plan and being a highly-ranked university. But it is important to explore what the disparate approaches mean for these five universities beyond the president's perspective, and we will study how some of these philosophies come into practice in the next section.

5.3 APPROACHES TO COMMUNICATION

In Sections 5.1 and 5.2, we addressed the challenges facing some of the most highly-regarded universities in the country, as well as how the presidents of these institutions shape strategy on their respective campuses. But as important as presidents are to running the enterprise, they are only effective if their organizations are moving forward in concert with the declared mission and strategy.

As part of this study, I wanted to get a sense for how communication works within institutions, and the fourth research question introduces this topic We previously addressed the decentralized nature of this set of universities, and it is apparent that within organizations such as these, many individuals have levels of authority and decision-making capacity. Universities are layered, and thousands of faculty and staff members help run the institutions. The senior administrations highlighted in this study have the responsibility for running large, decentralized organizations, and it is clear that communication is a critical piece at the senior level.

While each of the senior teams discussed the importance of communication throughout their institution, the practice took different forms at each university.

5.3.1 Georgetown's "Bullpen"

One of the most fascinating findings within this research was learning about Georgetown's "Bullpen." I spoke with five senior leaders from Georgetown, and each of them detailed the importance the "Bullpen" has for the success of the institution. President DeGioia (2015) describes the approach:

We've got a lot of tools that we've used and we keep adapting to try to ensure that alignment with the senior leadership. For example, if you came into my suite of offices on a Monday at 7:30 and stayed until about 3 in the afternoon, you'd probably see about 60 senior officers of the university, and mid-level and even junior officers coming in and out of the suite. We run what we call a bullpen. We didn't originate the idea and the space is not ideal, but in one conference room you've got the provost and all the academic leadership for the main campus, and the conference room in my immediate office, you'll have our chief operating officer and chief financial officer and general counsel and all of our senior leadership. All of their staffs are entering and leaving. Basically what we're trying to do is facilitate a much faster speed of decision-making.

The president was not the only one to address the speed of decision-making; others recognized that having a set time for senior leaders to engage with other decision-makers in a less formal setting was critical for the institution's operation. Senior Vice President Chris Augostini (2015) believes this model of communication allows Georgetown to respond quickly to emerging issues, including some highlighted in the challenges section:

It's really around the flow of information and what's happening. Some of the issues around race have emerged and because we're together every Monday we are talking about issues around sexual assault and climate, talking about any emerging tactical issue that needed to be tended to and everybody that's in a leadership role is in that room, every Monday. So it allows for us to have a pretty quick way of sharing information so that the rest of the week no one should be able to say that I didn't have a sense of what person X is up to.

Of the five institutions highlighted in this study, Georgetown is the least wealthy in terms of endowment resources. It was my sense that the senior administration worked closely together to develop a competitive advantage in the way it responds to issues, and communicates, to help it overcome some of those resource challenges. Vice President of Advancement Bart Moore (2015) believes the administration's approach to communication has helped provide a blueprint for success:

I don't know if this is true at other universities, this is the only one I've ever worked at a high level, so I can only speak for Georgetown. It is remarkable to me how direct human relationship, and how direct communication, and directly working together, is the work of running a university. The way these things are communicated, the way these operating

99

requirements are communicated, is very direct, very hands-on, sleeves rolled up, sitting at the same table together, working with senior colleagues.

For Provost Robert Groves (2015), the Bullpen is all about efficiency, and not taking an hour to have a five-minute conversation:

> In talking about communication problems among us, we realized that what we were missing was an environment where we could have 30-second or 3-minute conversations with colleagues to solve some problems, instead of what we were doing at the time, and that we're all so busy that it would take us three weeks to get a meeting that was an hour-long meeting, but the amount of material was really 10 minutes. So we are meeting as a leadership team every Monday in an open room, and when it works, it's filled with these side conversations. Instead of an hour-long meeting, you have a three-minute discussion.

The success of the Bullpen is predicated on working relationships, and developing a system of communication that works for the institution. This specific example directly addresses the fourth research question and demonstrates the importance placed on having forums for communication on campus. Other universities in the cohort also have prescribed strategies for communication, and we will examine those in the next sections.

5.3.2 Importance of Relationships

While Georgetown's Bullpen was the most unique example of communication I encountered in this study, there were other important takeaways shared by the senior administrators that shed light on how they conduct their business every day. One of the most poignant statements made to me came from Duke Vice President Larry Moneta (2015), who stressed the importance relationships have in the efficiency of running a university:

> This is a very informal place and it is governed by a pretty small number of people – the president, the provost, the executive vice president and (other vice presidents), pretty much are in regular communications and we don't stand on ceremony. The vice presidents have a very collaborative and cordial relationship. I think one of the strengths here is that we know each other's expectations. That's not often the case. I've always said

that relationships trump structure…what works is that the 10 people basically who are in leadership roles, outside of the deans, I'm talking about the administrative level, collaborate extraordinarily well.

Executive Vice President Tallman Trask (2015) confirmed Vice President Moneta's description of the informal communication and importance of relationships at Duke: "The provost and I walk up and down the hall every day. If we're both in town, we talk to each other every day. There aren't a whole lot of surprises."

Senior administrators are extraordinarily busy individuals, but in the conversations I recognized a commitment from multiple institutions to have formal meetings on a regular basis to ensure information was being shared at the highest level. At Stanford, President John Hennessy holds a senior staff meeting several times each month. At Emory, President Wagner holds a weekly cabinet meeting. Yale also described its cabinet meetings as critically important.

Every Tuesday morning, Emory holds a cabinet meeting for two hours. At those meetings, members share the issues and opportunities they are facing, and drive the weekly agenda with those topics. As one member of the senior administration commented:

> When you look around that team, all aspects of the university are actually represented. There's no part of the university that's really not represented in that room, which gives it a lot of room for discussion about university strategy. We don't sit around the room and say there's an issue, this is what we resolved and issue a statement to the community that the Cabinet has decided. It's actually more of an advisory to the president, and we really believe that governance should happen where governance happens.

As has become evident from some other examples, trust is an imperative piece of the puzzle, especially with regard to communication at the senior level:

> We are very intentional about creating a safe space. I know we use that terminology a lot, but in this case what we mean by that is that if we find ourselves having water cooler conversations about something that happened at Cabinet, something has gone terribly wrong. We need to be able to have conversations in that space in a candid, courageous, transparent way. And it requires that there's a great amount of trust and that you aren't

101

worried that somehow something you say that folks will judge you or somehow it will travel across the university at lightning speed back to haunt you.

There was a sense from the interviewees that communication was a necessary component for moving the institution forward. This will be discussed in the next section.

5.3.3   Focusing on Improvement

Each institution in the study seems focused on the importance of communication in ensuring the organization moves forward in an efficient manner. As the president who has been in his position for the shortest amount of time, Salovey has been working to develop systems that work for his administration at Yale. He not only recognizes the need for strong communication, but has been actively seeking more effective ways for the university to engage in this fashion. Yale holds monthly cabinet meetings that include all of the vice presidents, and a weekly vice president council meeting which includes all of the vice presidents and the dean of the medical school. President Salovey (2016) finds those meetings productive, but believes there may be a need for more focused communication with the inclusion of the university's most senior officers:

> One of the challenges I have found is the size of those meetings. And I actually am starting to think I need a third level here…That would allow more communication and collaboration across all those VP units. It would also create a leadership team that would be me, those three senior vice presidents and maybe the general counsel as needed. And that might also meet once a week. That's a very small senior leadership team that would be brought together for two diametrically opposite purposes. One is in times of crisis. Two is for the real long-term discussions about where we're going, setting a vision. We're evolving.

The president's focus on communication, and transparency, has been felt across the senior leadership, and ultimately, across the institution. As one vice president noted:

> Peter has really created an environment of a lot more transparency around budgets, around sharing the high-level goals and how everybody's goals align, looking for ways

102

for everybody's individual goals to then align around some of the big goals that he's put out…I think the feeling is we need to be more deliberate, more strategic, about how we really set those priorities…but if you're not sure where you're going to find the new and incremental resources, then you want to make sure that you somehow message those things that you really most want to do.

It was clear from the conversations that communication among senior leaders on campus was of paramount importance, whether in the form of weekly cabinet meetings or in a structure such as Georgetown's Bullpen. In their responses to the fourth research question, it became clear that each institution is creating opportunities for its senior management team to be together and communicate about pressing issues and the strategy of the university. But the senior leadership of these institutions consists of just a few people in a sea of thousands charged with carrying out the mission and vision of the university. In a decentralized environment, where varying degrees of decision-making authority rest with department heads and other managers, how do universities like the ones in this cohort remain aligned and on track? The next section addresses this topic directly.

5.4   IMPACT OF DECENTRALIZED MANAGEMENT

Despite not using the word directly in the guiding research questions, the concept of decentralization was discussed in the majority of conversations that took place in this study. While talking about the alignment of strategy and resources, many respondents utilized the opportunity to discuss the decentralized nature of their respective campuses. As the impact of decentralization on resource allocation and strategic decision-making became apparent, I decided to devote a section of this chapter to appropriately introduce that theme.

Each of the universities included in this study has an operating budget in excess of $1 billion – these are large organizations, and there are many decision-makers within them. A decentralized environment, and one with a responsibility-centered management budgeting philosophy, provides both opportunities and challenges with regard to aligning strategy and resources.

A centralized model would provide for more control in the hands of a few, and this approach does not seem to be one that would work well for the institutions highlighted in this study. As one vice president shared:

> I think that the advantages of a decentralized model versus a highly centralized model, is it allows for enormous flexibility, creativity, entrepreneurship at the dean and the college level. I personally have drank the Kool-Aid and believe that the structure and the model that we have here allows for this institution to be more nimble and to be able to adjust to certain opportunities as well as certain challenges that each of the entities may face.

And with a decentralized model, there is an idea that strategic plans are much more valuable for individual academic and administrative units than for the institution as a whole. Despite being from one of the two institutions with a strategic plan, one vice president was clear in offering this perspective:

> Ninety-five percent of our financial activity happens out of the decentralized units. They happen in the schools. And then a very small portion is centrally directed. So we talk about this lofty strategic plan as if the skies will open and we'll have a bunch of money flying out, and we will have some strategic initiatives that come from that certainly, but understand that the core of our operating budget exists within the schools today, the deans decide what those priorities are, and they're the ones allocating resources to it.

The third research question asked participants about alignment of strategy and resources. Decentralization emerged as a theme that must be considered when evaluating the level of alignment at universities like the ones in this study. As an example of how decentralization can impact alignment, Emory Provost Sterk (2015) shared her perspective:

Emory is very decentralized. We use an RCM (responsibility-centered management) model, which basically means the money comes in, stays with the units that bring it in, and then there is what people would call a tax, or an allocated cost that then brings money into central administration. I would say that we have very good alignment, and that has been a priority for me for the last two years between academic and budget planning. We used to have a process where units submitted their strategic priorities, typically in September, and we had budget hearings in February, and we realized there was not as good alignment between those two and we really have made great progress. The offices are now next to each other and they report to the same individual. For strategic planning, I believe much more in linking that to the multi-year planning, as opposed to the annual planning budget, because I think that's how you move priorities forward, particularly if you want to do things that are a little bit more bold and courageous.

There are varying levels of decentralization, and Yale Vice President Stephen Murphy (2015) offered that his university is not necessarily as decentralized as some others. Murphy described the process that Yale utilizes to ensure alignment between strategy and resource allocation:

Ours is more of a hybrid – it's not highly centralized and it's not highly decentralized, it's really in the middle…. My responsibility is to estimate the amount of revenue we'll have each year, and the provost's responsibility is to determine how it will be spent. But because the provost has a lot of discretionary funds, as we put together a financial model looking forward, the provost is in a position to say our starting point is status quo, whatever we have today we'll probably have next year, let's project forward our current infrastructure and how much money we will either be in surplus or in deficit next year. And hopefully, and the way we try to structure our financial models, is on average, most of the years there is more money available when you do that projection forward, so there's some ability to invest in new things…. In some ways I think, for Yale, that is the single most important way that we keep our strategy connected to our multi-year and annual operating plans is that very intentionally, our provost is the chief academic officer and chief budget officer.

Like the examples from Emory and Yale suggest, not every institution is the same with its approach to management and alignment of strategy and resources. In 2010, Vanderbilt Chancellor Nicholas Zeppos shared his perspective on the rationale for centralizing his university's finance functions following the economic downturn. In outlining Vanderbilt's approach, Zeppos (2010) notes that "the new model…is the one that prevails in the business world" (para. 4). The university's chief financial officer oversees all of the university's finance

and accounting functions, and Zeppos (2010) believes it is more appropriate because "this stronger, more focused and centralized finance operation is designed to ensure that the entire university operates collaboratively to identify financial risks and opportunities through more effective financial, budgeting, and financial risk-management processes" (para. 5). It is worth noting that Vanderbilt fits the profile of the institutions included in this study's selective sample, so this example makes it clear that there are a range of centralization and decentralization practices within the cohort.

Zeppos (2010) recognizes that "the vast majority of large U.S. universities rely on a decentralized finance structure to manage the financial—and financial-risk—implications of such complexity" (para. 10). This perspective seems clear from the interviews that took place with the senior leaders from the institutions in our selective sample. For his own institution, Zeppos saw it as important to mitigate risk by centralizing major financial decisions and strategy, and entrusting alignment of resources with institutional mission to a central office and team: "Vanderbilt needed to figure out the optimal way to allocate precious capital to support the many facets of our mission…having a coordinated finance team across the entire organization helps leaders see where to make the best investments" (Zeppos, 2010, para. 11).

It does seem important for institutions to have some opportunity centrally to impact the entire community. Representatives from each of the institutions concurred that this practice takes place, and is imperative for the university's success. At Duke, the inclusion of a Strategic Investment Plan has been critical to achieving the institution's goals, especially those that are university-wide or reach across multiple academic or administrative areas.

The Strategic Investment Plan, which is highlighted in Section 4.1.1, acknowledges Duke's commitment to decentralization while specifying the necessity for central funding:

106

Duke operates through a resource allocation system of managed decentralization. While our schools have considerable latitude in prioritizing expenditures and strong incentives to generate funds and allocate them wisely, we have also developed strong central funding mechanisms to supplement school resources to achieve critical priorities. These central strategic investment funds provide a critical component of our overall resource allocation system and are allocated by the senior officers for both programmatic (typically as seed money) and capital purposes with the approval of the Board of Trustees. (Duke University Strategic Plan, 2006)

At Emory, the new strategic plan will diverge from the philosophy that encompassed the previous plan. Provost Sterk (2015), who is leading the strategic planning process at the university, embraces the concept of decentralization and believes the university-wide plan does not have to align directly with all of the academic and administrative unit plans:

We are focusing on a select number of university priorities, and are not expecting that every unit aligns its priorities with that small selection of university priorities. It's a very different approach than the previous one. We believe that with the rapid changes that are taking place, it's the right way to go about it. That the university needs to have its priorities, and we will encourage people where feasible to align with the university priorities, but do not expect that each and every unit has a plan that is only limited to that…and if it's something that is perceived to have a high impact, we will partner with the unit and explore making university resources available for that.

But this is not necessarily a perfect system, and it is perhaps naïve to assume that all decision makers in a decentralized environment can carry the mission and strategy of the institution forward, or even understand it. Disparate personalities and philosophies are inevitably part of any large organization, and while there is clearly not one approach utilized in the operations, there seems to be more of a challenge for the institutions that have been less definitive about declaring their intent to their entire populations. One vice president commented that he thinks his institution could be a lot more efficient with the way it outlines and communicates strategy:

I think it would be valuable if we had a clearer strategic plan. Because I think our current decision making process can end up being more of a political arm wrestling match than a

107

resource allocation towards our highest, best priorities, because in the absence of a strategic plan, everybody's individual priorities seem like they must be the highest priority, because in the absence of other information, that's the view of the world that any individual is often going to start out with…I think in some ways we make our resource allocation conversations more difficult because we don't have a strategic plan.

If that is the sentiment shared by an institutional vice president, someone who does have a seat at a large number of strategy discussions, how do the managers one step underneath this level feel? How about those two or three levels down? This individual is outlining his perception of a certain lack of efficiency that permeates the institution because of its lack of a unifying strategic plan. While some of our senior leaders may not see this as a particular issue, some certainly do.

5.5   DEFINING INSTITUTIONAL CULTURE

Some of the research questions guiding this study focused on communication, decision-making and strategic alignment of resources. All of those areas point to helping us understand institutional culture more fully. My purpose in studying this facet of institutional life was to determine the role a university's mission has in influencing the culture of the place. That is, what do institutions portend to be about? What business are they in? And when that perspective is shared, how does it impact the daily decisions that run the institution?

Alfred (2006) writes that "in their simplest form, declarations are statements that make a college's interactions known regarding its purpose and the nature of its business. The most fundamental of these is the mission statement – a comprehensive assertion disclosing the concept of the organization, the nature of its business, the reason the organization exists, the people it serves, and the principles and values under which it intends to operate" (p. 11). A critical piece

of my research was to understand institutional missions from the senior administrators' perspective, and determine how decision-making related to institutional guiding principles.

This section will look at how senior leaders view the importance of the mission at their own institution, the role it has in a decentralized environment, and the way the mission relates to resource allocation and decision-making.

5.5.1 Understanding the Mission

Before looking at how institutional missions relate to the fundamental business of the university, it is important to get a sense for how senior leaders within our cohort view their own missions, and the rationale for having one. Every institution has a mission, but I was surprised to learn that within this cohort, not every institution has a mission statement. That difference is perhaps a subtle one, but it seems to have an impact on the institution, and the people who call it home.

Presidents are often the individuals setting the vision for the institution, and helping to drive the mission. As one president shared:

> We understand a vision as a confession – it's a statement of what you are not yet. Mission, we understand as the things we do. While we're chasing after the vision, we must do the mission. And then the strategic plan, is the plan or plans, for imagining all of the different ways to climb the mountain toward the vision. What are the ways you are going to get there? It's important that people feel close to and committed to some foundational principles as expressed in these kinds of documents.

Interestingly, that perspective was shared by another member of the senior administration at the same institution:

> The mission statement is usually aspirational and somewhat vague, because it is aspirational and theoretically inspirational, so when you look at your multi-year enduring goals, the reality comes down to, we're in the business of teaching, research, patient care and service to humanity. And that's what every major research university does. What comes down beyond that are the strategies and tactics to achieve that.

109

Not all institutions in the cohort had mission statements. That is not to suggest the universities do not all have missions, but the strategy in making a statement about the mission is not universally shared. As the president of that institution noted:

> We don't have a formalized mission statement, because I think we more or less view it as self-evident to try to create the very best educational programs and the very best research programs that we can. So it's fairly simple from that perspective, and I think within that context, we try to emphasize a variety of different factors, but there's no overriding set of things where we try to put metrics against those. Not that we don't use measurements, we certainly do use measurements. How are we doing in terms of attracting the students we want? How are we doing in terms of attracting faculty? What are the quality of our departments? We certainly look at lots of that data, but I don't think we say precisely this is the exact order of priorities for measuring various things around the university, because we view the importance of both the teaching and research mission as both critical to our future.

The president of this institution is clear in his perspective that the university has a mission, but in his view, there is no need to publish such a statement. In having the conversation, it was evident the president believed his administration had a strong understanding of its purpose, and the institution's purpose, and that characterized the culture of the environment. In sharing his own thoughts about the institution's lack of a formal strategic plan and mission statement, a vice president from the same institution said:

> At the heart of (our) success is really the entrepreneurship of the faculty, and the sense that every faculty member is to some degree responsible for generating their own support…and I suspect by not having a formal strategic plan, we really empower every faculty member to feel that he or she is extremely important and can create their own great thing that will be embraced by the university overall…Having said that, when there are opportunities for new faculty to be hired, the deans obviously focus those positions in areas they think are of evolving importance, we don't just simply put it anywhere. The absence of a written strategic plan does not seem to have hurt our ability to maintain and enhance our reputation.

The sentiment regarding the pervasiveness and importance of the institution's mission is shared by a senior administrator from Georgetown, who reveals that the university's mission and ideals are clearly rooted in its religious tradition: "The mission is more important than the

mission statement. I think there's a very powerful shared sense that we have a particular mission here, much of it, but certainly not all of it, based on that we are the oldest Jesuit and Catholic university in the country."

Through conversations with the senior administrators it is clear that mission is an important part of each institution, regardless of whether or not the university has a statement declaring its aspirations and intentions. The next section will expand on what we've already reviewed, while exploring how institutions that emphasize decentralization can align practices with their missions.

5.5.2 Decentralized Environments

In its 2016 fact book, Stanford noted "11,481 staff members supported teaching, learning and research at Stanford" in 2015 (p. 48). Duke listed on its website it had 8,380 full and part-time employees, not inclusive of its Schools of Medicine and Nursing (Duke University Quick Facts, 2016). The other three institutions within this cohort are similar with regard to size of faculty and staff, and the scope of their operations. With that context in mind, I wanted to understand how an institutional mission could possibly reach each of those individuals with job responsibilities, and especially those with decision-making capacities, to ensure alignment.

In Section 5.4 we discussed the impact of decentralized management on campuses. It turns out decentralization has a major role on an institution's ability to align the many facets of campus with an overall mission. As one president shared:

> One of the things that's difficult about universities is universities have a million separate missions. A university cannot prioritize three things and live out the year…. Did a student have an inspiring experience? Does a student actually know faculty members well enough to still be in touch with them three years after they graduate? Those are very important things at a university…there's a million things that have to be very well done,

111

and that you actually have to care about, because they all add up together somehow, in a calculus that nobody knows how to write the formula for.

The idea that there are "a million separate missions" within a university setting may be an exaggerated statement, but there is undoubtedly merit to the point. We have discussed that many units and departments have their own strategic plans; the same is true of missions and mission statements. At Georgetown, the McDonough School of Business has its own mission statement, and at Yale, the School of Forestry and Environmental Studies has one of its own. Duke's men's lacrosse team has a published mission statement, as does the Michael C. Carlos Museum of Emory University.

The decentralized nature of many universities, especially the institutions in this cohort, is evident. But the question remains, how is it possible for these individual missions to relate to the mission driving the entirety of the institution? And with resources often constrained, how are decisions made to help achieve those aims? As one vice president said:

> I think within a responsibility-centered management operating philosophy at the university, that gut check does happen quite a bit because the responsibility that's placed on departments and divisions of the university to be accountable for their financial operations and to manage them successfully they have to think about meeting the mission more often than not. Anytime you're making a major purchase or major investment, we are looking back at campus life not only at the university mission, but our own mission. We're also looking at our strategic goals and priorities. Mission drives everything at (the university).

While the idea that a major institution without a published mission statement may come as a surprise, there is clearly logic behind the rationale. And it seems to have a lot to do with acceptance of the decentralized culture: "For the most part they're in the schools, and partly that's true because with the timing of leadership and various other things, the timing of those strategic plans is rather different." The concept is fairly simple – the business that takes place in individual units and departments can change with the transition of leadership. This particular

senior administrator put more emphasis on that importance than on the centrality of an institution-wide mission statement. That was a unique perspective, but given the success of each of the institutions in the cohort on a global and national stage, it is evident there is not a one-size-fits-all approach to strategic planning and university mission.

In addition to there not being a one-size-fits-all approach, there was some perspective that adherence and relationship to the mission differed significantly across the institution:

> What I would also say is the appropriation of that mission is very uneven across the university. There's some schools and units where it is much more visible and central…I think it is also possible in some of our administrative offices, in some of our graduate and professional schools, for there to be a sense of disconnect in some ways from the larger mission, that means people don't get to swim in those waters I'm talking about all the time or as intensively as they might like, and I think that's part of the reality too, is that we are a decentralized place.

I was interested in understanding how senior administrators within the cohort acknowledged and operationalized the importance of having other institutional employees "buy-in" to strategy and mission. I was not clear if there would be much attention paid to the thousands of other employees, and their role in the mission, but it seems many of the university leaders recognize that for a mission to be successful there has to be broad acceptance. One vice president operationalized it this way:

> We have a pyramid. At the top of the pyramid is our mission, the next level is our governing objective, the next level is our divisional three-year goals, then we've got priorities, then we've got department goals that tie to all of those, and then we have individual goals. We have a pyramid so that every single person in the organization knows exactly how what they do lines up to their department, how their department lines up to our priorities, how our priorities line up to our goals and how that lines up to our governing objective and our mission statement. We're not a business, but we run it in a business-like manner.

The concept of business, and the relationship between resource allocation and pursuit of the institutional mission, is addressed in the next section.

5.5.3 Mission and Resource Allocation

Now that we understand more about the perspectives senior leaders have on institutional mission, and its role in a decentralized environment, it is time to turn our attention to how mission influences resource allocation. This research was predicated on understanding how theory meets practice – in essence, how do universities actually run? Finances are essential to moving priorities forward in all aspects of life, and higher education is certainly no exception.

In the conversations with the senior administrators, I asked them to share how mission and multi-year enduring goals permeated the culture of the institution, especially with regard to resource allocation and decisions. For many interviewees, the two were indelibly linked. As one provost put it:

> Most of February and March, I spend in what we call budget hearings…they're really much more than budget hearings, the institutional mission usually drives the decisions that are made in terms of funding annual priorities and performance objectives. There's a lot of face-to-face interaction, which people may say is not the most effective use of time, but I actually believe that it is because it allows for probing, for shared understanding, for brainstorming about what is the best fit. There are groups thinking along the same lines with talent development and staff recognition, and you realize that's a priority in several parts of the university and then can facilitate the process for those units to work together so they can actually do something. Not everything is as decentralized as it may seem. It needs to hit the mission one way or the other, but hitting the mission can mean providing the infrastructure or the support to allow for what the mission of the institution is.

At one institution, the CFO explained how he strategically aligns mission with budget in his administrative area:

> My budget for current FY16 was just approved so I got notified of that towards the end of June, and what I'm already doing is…I'm cascading goals throughout my organization, about 350 people, that starts with a statement of (our) mission about teaching and research.

One of the challenges that senior administrators illuminated was the importance of sticking to the mission when it is time to allocate resources across the institution. In an

environment predicated on developing ideas and intellectual exploration, there is never a shortage of areas on which to spend money. But it is the job of senior leaders to ensure there is not mission creep:

> We just need to make sure that when we take things on, we are taking on things that are absolutely central to that mission. And occasionally we do get mission creep, where we get from the general public – you should be doing this. Well that's really not our job. So we need to be able to say no to those things and come back to that. We had a trustee who had an interest in a project that we all loved, but it was not central to the mission, and we're not going to go there. And we think it's terrific, but it will take us off what we are supposed to be doing, so we're not going to make any resource allocations to that project. If you would like to fund that project, we will do it for you, but we cannot put our dollars in because it is not in keeping with the mission.

There was also a shared perspective that administrators should and would be able to identify the key aspects of the institution's mission, and rationalize allocation of resources toward those aims:

> I would say that we are very clear about what our guiding, mission-based objectives are as we plan and build and do the work of the institution. I think any officer of the university could tell you what are his or her interpretations of the five overarching strategic objectives of the institution that they would need to defend any resource allocation decisions they make in the context of.

There was also a sense that communication and collaboration were essential in ensuring resources are maximized, and competitive advantage developed. As one president noted:

> The way a school like (ours) has to advance is by finding the things we can do more easily than richer schools can do. And often those are things that have to do with innovation and collaboration. And then there are things that are just sort of part of the history of this university, that make it easier to do a certain kind of thing here than otherwise.

In this section, we have learned from senior administrators their perspective on institutional mission, how it emerges in a largely decentralized environment, and how it operationalizes with regard to resource allocation and decision-making. Next, we will delve more

deeply into an area that differs greatly across institutions: the role of non-academic activities and programs – especially intercollegiate athletics – in the university environment.

5.6   ROLE OF NON-ACADEMIC PROGRAMS

In the first chapter, I outlined my professional experience and how this particular topic became of interest to me. Because I have responsibility for out-of-classroom experience and learning as a fundamental tenet of my administrative portfolio, I was interested in understanding more fully how senior administrators view the importance of learning outside the classroom, and how resources align with those perspectives.

When I first started researching this area, I did so with a fairly narrow view of what a non-academic activity or program looked like. In my mind, non-academic programs were largely defined by intercollegiate athletics, residence life, student activities, dining and other experiential components of brick-and-mortar higher education in the United States. As I had discussions with senior leaders within my cohort, however, I realized this view of non-academic programs was limited in scope. Throughout the interviews, individuals discussed mental health, campus safety, information technology and other areas as non-academic in nature. This finding was of great significance, as it was a clear element for the respondents in shaping their thoughts on the topic.

Given my professional background in intercollegiate athletics, and the institutions within this particular cohort, I did ask respondents to provide particular context on the role intercollegiate athletics has at their institutions. This section will review the approach the five universities take with regard to providing financial support for this area of campus life, as well as the institutional approach in general to non-academic programs and services.

5.6.1   Intercollegiate Athletics

The five institutions in the research cohort share many similarities, and also a number of differences. One of the characteristics used as a determinant for their selection in this study was their approach and commitment to intercollegiate athletics.

Duke and Stanford compete at the highest level of Division I athletics, while Georgetown is a major Division I program that does not sponsor football at the highest level. Yale participates in Division I athletics, but as a member of the Ivy League, does not provide student-athletes with scholarships based on athletics ability. The three other Division I institutions do provide student-athlete scholarships. Finally, Emory participates in Division III, which does not allow athletics scholarships at all. Emory is one of the elite athletics programs within Division III, by far the largest grouping of schools in the NCAA.

In terms of financial commitment to their intercollegiate athletics programs, the five institutions have remarkably varied balance sheets. According to the data reported from the 2014-15 academic year in the annual Equity in Athletics Disclosure Analysis submissions, the expenses related to intercollegiate athletics ranged from $5,367,872 to $109,668,805. Here is the comparative data:

Table 5-2 Institutional Expenditure on Intercollegiate Athletics

Institution	Number of Varsity Athletes	Total Expenses in 2014-15
Duke	713	$91,174,723
Emory	375	$5,367,872

Table 5-2 (continued)

Georgetown	704	$33,666,439
Stanford	829	$109,668,805
Yale	833	$38,227,149

Source: U.S. Department of Education (2015).

Also of interest is the percentage of the annual institutional operating budget spent on intercollegiate athletics. Using the numbers from the EADA report above, and the expenses listed on each institution's most recent annual report, I was able to calculate the percentage. It is important to note that the number used for Emory was a projection for the current fiscal year, and does not include its medical center. Stanford's and Duke's institutional expenses listed below do not include their respective medical centers, but Yale's $3.2 billion number includes expenses incurred by Yale School of Medicine, but not Yale New Haven Hospital.

Table 5-3 Percentage of Institutional Expenditures Appropriated for Athletics

Institution	Athletics Expenses	Institutional Expenses	% Spent on Athletics
Duke	$91,174,723	$2,462,000,000	3.7%
Emory	$5,367,872	$1,900,000,000	0.3%
Georgetown	$33,666,439	$1,148,000,000	2.9%
Stanford	$109,668,805	$5,500,000,000	2.0%
Yale	$38,227,149	$3,200,000,000	1.2%

Sources: U.S. Department of Education (2015), Duke (2016), Emory (2016), Georgetown, (2016), Stanford (2016), and Yale (2016).

To further the analysis, Stanford and Duke both had revenues exceeding $60 million connected with men's and women's basketball and football. At Yale, the revenue listed for those sports was less than $5 million. Like Yale, Emory is also centrally funding much of its operation,

utilizing subsidies from the university to ensure it can run its intercollegiate athletics program. In terms of percentages, Georgetown spends the second-most on intercollegiate athletics, but as pointed out by its senior leaders in interviews conducted for this study, the school does not feel it can put the resources in to compete for national championships in more Division I sports – like Stanford and Duke are able to do.

Table 4.3 seems to support the universities' philosophies on intercollegiate athletics – proportionally, Emory and Yale spend the least on intercollegiate athletics, and they are the two institutions that do not provide financial aid based on athletics ability. Given Georgetown's financial position relative to the rest of the cohort, it is somewhat surprising that the university spends a larger percentage of its available resources on intercollegiate athletics than Stanford. That said, Stanford's smaller percentage corresponds to significantly more dollars that can be allocated across that program.

So what do these numbers mean? The easy answer is they mean different things for each institution. It is important to remember each of these institutions is among the most respected universities in the nation, regardless of how they prioritize intercollegiate athletics. There are many renowned institutions that choose to participate at a less intensive level of intercollegiate athletics – Emory, MIT, Johns Hopkins and the University of Chicago are among the academic heavyweights that participate in Division III sports.

The numbers do give us a sense of the importance the institutions place on intercollegiate athletics, as compared to the rest of the institution. Intercollegiate athletics are extremely important to Duke's culture, and given that the university is spending 3.7% of its operating funds to support the operation, it seems clear there is a conscious decision in that direction. At the same time, Emory spends less than a half-percent of its budget on intercollegiate athletics. That is not

to say sports are not important to the Emory community, but it would seem there is a different perspective the administration has with regard to the role of intercollegiate athletics on campus.

There are a number of factors that influence overall spending on athletics, inclusive of compensation for coaches and expenses related to scholarships, so the numbers in the table above may be somewhat skewed. Additionally, institutions like Duke and Stanford have revenues that correspond to the level of expense, so the net spend on athletics is not as significant as it would be if there were not related revenues. Emory, on the other hand, derives the vast majority of its revenue from central allocation, not ticket revenues, licensing or advertisements. The models are different, and taking a deep dive into that philosophy is not the intent of this research. Rather, the purpose of this study is to understand the perspective senior leaders have on the importance of this non-academic arm of their university, and whether or not their words match what we already have learned about their universities.

5.6.1.1 Understanding the Purpose

As an individual who has spent his entire career working within intercollegiate athletics, it has always been clear to me there are differences among the levels of sport. As an example, 100,000 people will fill a football stadium at the University of Michigan or Ohio State University on fall Saturdays, while less than 1,000 will venture out to watch the vast majority of Division III schools compete. Within this cohort, there is a major difference in the approaches the institutions take to intercollegiate athletics, but each of the schools is renowned for its academic reputation. The approach may not impact whether or not the university is a heavyweight academically, but the institutional purpose seems to have major influence on a school's culture.

Duke is well known for many of its academic programs, but most of the country knows the university for its powerhouse men's basketball program. The success head coach Mike

Krzyzewski and the Blue Devils have had on the national scene has impacted Duke's reputation, something that is not lost on the university's senior administrators and decision-makers. As one vice president noted in our interview: "It's always been part of who Duke is. Duke does both academics and athletics well. There have been periods where we haven't done it so well. It's part of the existence of Duke, and I think most people who know and care about Duke understand that."

The phrase "part of the existence" is powerful. It seems to imply athletics is part of the fabric of the institution, and has an impact on a large majority of community members. That is a philosophical choice, and one Duke has embraced as part of its public-facing image. As another vice president put it:

> While the faculty may from time to time ask the usual faculty question – does big-time athletics have a place in an academic environment like ours, I think the answer that virtually all have come to at Duke, is absolutely yes. It's very much the outlier who would complain about athletics and its role here at Duke…the reality is they bring so many positives to Duke that not many people fight athletics as a strategic priority.

At Stanford, academic and athletic success is certainly not mutually exclusive. In fact, by many metrics, Stanford has the most successful athletics program in the country. For the past 21 years, Stanford has finished first in the Learfield Sports Directors' Cup, which is a cumulative scoring structure based on performance at NCAA championship events. This level of excellence, and impact on the university, is something Stanford strives to attain:

> There's no doubt it provides a sort of connection to the rest of the university, to the larger alumni body, it builds esprit de corps, it builds spirit, it makes them feel like they're part of something larger. Those are real benefits for us. I think for us, the most important thing is that they are students first and foremost and we will never, ever forget that. For us, that's a core value. Being a student comes first, and if you're just coming to be an athlete, you're not coming here. It's the wrong place for you.

Within this cohort, Duke and Stanford are the institutions with the largest revenues and expenses related to intercollegiate athletics. Georgetown, which does not have the same

121

resources as the other institutions in the study, chooses to sponsor 29 intercollegiate teams, but

recognizes it cannot compete for national championships in all of them. As one vice president

shared:

> We want to ensure that the teams are funded to a level of respectable competitiveness, so
> the student-athletes can go out and win some, lose some and draw some, and all because
> as an institution we believe that for the 12% of our student population who participate in
> intercollegiate athletics, it is a substantial additional component of the holistic learning
> and growth experience of the college years to participate in athletics.

And as referenced earlier, Georgetown makes the decision to sponsor the sport of football, but

not to compete with other Division I institutions like Duke and Stanford in the Football Bowl

Subdivision. Interestingly, Georgetown eliminated football at the varsity level in 1950 for budget

reasons (Flynn, 2012) and did not rejoin the NCAA ranks until 1970. Georgetown played at the

Division III level until 1993, when it was reclassified to the lower level of Division I. While

institutions like Duke and Stanford will get much more publicity because of their competitive

level of football, Georgetown has another purpose for sponsoring the sport:

> Football has been around 150 years at Georgetown. It doesn't really cost a lot. It probably
> requires a million-and-a-half dollar subsidy a year. But when you look at it, what does it
> bring the university beside cost and an additional sport? I would say that 25% of the
> entering class that comes into Georgetown of African-American men, are brought in
> through the football program.

This is an interesting perspective, as spending $1.5 million in other targeted areas could likely

have the same, or perhaps even greater, impact on the university's strategic priority of diversity.

But the feeling that athletics helps create a more diverse community, ethnic and otherwise, was a

pervasive sentiment across the institutions. As a vice president from another institution shared:

"Our admissions department desperately wants our athletes here because they bring so much

diversity to our class." At all of the institutions in this study, except for Emory, the percentage of

student-athletes within the undergraduate population exceeds 9%. Table 4.4 shares the number

of student-athletes reported through the Equity in Data Analysis Report.

Table 5-4 Percentage of Student-Athletes in Undergraduate Population

Institution	No. of Student-Athletes	No. of Undergraduates	% Student-Athletes
Duke	713	6,485	11%
Emory	375	7,803	4.8%
Georgetown	704	7,595	9.3%
Stanford	829	6,994	11.9%
Yale	833	5,453	15.3%

Source: U.S. Department of Education (2015).

At places like Duke and Stanford, intercollegiate athletics serves not only as a recruiting

tool to bring student-athletes to campus; it also has the ability to attract students who are excited

to utilize athletics as an opportunity for socialization, camaraderie and other non-academic

pursuits. For universities like Georgetown, Yale and Emory, the same may certainly be true for

some, but there seems to be more focus on the importance of providing a meaningful experience

for students who participate in intercollegiate athletics, as opposed to using athletics as a major

branding tool for the entire community. Emory is the only university of the five not to sponsor

intercollegiate football, and Provost Sterk (2015) expressed the philosophy behind her

university's approach to intercollegiate athletics:

> I think they're extremely important. I love that Emory is Division III. Some days it means
> that we don't have natural events that allow for the whole community to come together,
> but it also forces a lot more intentionality around ensuring that people do connect. I think
> in terms of resource allocation, because the student experience is so important, that
> means that campus life gets a lot of support, because it's linked to the mission.

The connection with "mission" was raised by multiple administrators. Duke President Brodhead (2015) was clear in his perspective that academics and athletics can and should go hand-in-hand, regardless of the level of play:

> Everybody at Duke is aware there are universities with outstanding athletic programs that do not regard them as connected to the general mission of education. That doesn't mean they couldn't be connected and so here what we're trying to do is to think of athletics as part of a continuum of excellence, in which we ask even our student-athletes to pursue other kinds of excellence than athletic excellence, and in which we invite the rest of the community to see community values imaged in the domain of athletics.

And at Yale, President Salovey (2016) also sees athletics as critical to the university mission:

> I see athletics as part of the academic mission. I think it's where we help students develop leadership skills, help them develop self-discipline, help them learn the ability to work in teams. I see all of that as consistent with a liberal education. And while one is always thinking trade-offs among academic programs, and athletics is no exception, I think the Ivy League model of the scholar-athlete allows us a certain amount of balance in funding athletics, and expecting its mission to be aligned and a part of the academic mission for our students…I'm not talking about Big Ten athletics, or the typical NCAA Division I school, I think we have a much more rational model here being part of the Ivy League.

The models are different among the institutions in the cohort, and across American higher education institutions in general, but there was a similar sense of comfort shared by all of the interviewees regarding their particular approach. There are a variety of ways to run an institution, or an athletics program. And just as some universities offer engineering curriculum, and others do not, the same is true of the choices made with regard to the level of participation in intercollegiate athletics at any one institution.

5.6.1.2 Resources and Perceptions

One of the issues I was eager to understand through this research was the perception of the faculty regarding intercollegiate athletics at these institutions. My hypothesis was there would likely be some natural tension; intercollegiate athletics often makes headlines (especially at

universities like Stanford and Duke), yet the academic mission of the university does not always get the same level of mainstream attention. The media is one thing, but when resources seem to be flowing toward intercollegiate athletics, coaches are the highest-paid individuals employed by some universities, scholarships are provided for athletics ability, and tuition continues to rise, I made a preliminary assumption there could well be a juxtaposition of viewpoints on the value varsity sports provide, especially when resources are tight.

I addressed the issue with the senior leaders, and found their answers contradicted my initial assumption. It is important to note, however, that faculty members were not interviewed as part of the study. The interviewees did acknowledge there are tensions, but the leaders seem to understand there are ways to address them before issues arise. As Duke President Brodhead said:

> I consider part of the bargain is that one of things the president sometimes needs to do is to explain how athletics functions as a part of education, rather than as a rival of education. I do that at faculty meetings, I do that in my annual address…Students intrinsically know that all the dimensions of their lives belong together, but the world of adults in universities tend to be people who are either in an academic department, or they're in the athletics department, or they're in a financial department, so let's just say it becomes more natural to think in single dimensions. But the goal is integration. The way our budgeting is done, nobody ever sees a dollar that was headed for the physics lab get deflected and suddenly go to build a recreational soccer field. The water has been diverted way upstream before that choice would ever be evident.

There seems to be recognition that intercollegiate athletics, as well as other non-academic programs that help build the life of an institution, are considered valuable by the majority of campus community members. A number of senior leaders used the word "balance" when discussing their institutional approach:

> There is some tension at times, about what's the percentage of the university's resources that should be directed outside the academic core. And it's often a good conversation…So there is a sense at times with faculty leadership and deans of "we know this stuff is important, it's not that we think it's silly, but it is a question of what's the right balance for us, and are we focusing too heavily on these things beyond the curriculum?"

Additionally, there was a sense that undergraduate education is about much more than what is learned in the classroom. The investment in intercollegiate athletics, and the resources directed toward that enterprise, seem to be predicated on supporting the learning environment through exposure to non-academic programs. According to a vice president from Stanford:

> Let's be very clear. I think here at Stanford we acknowledge that more than half of what you learn in college, at the undergraduate level at least, is outside the classroom. We promote that…All other things being equal, dollars will always tip toward academics, because that is fundamentally the mission of the university. That said, I think that Stanford's done a great job over the last 15 years beefing up the funding for non-academic offerings.

There are some faculty members within each institution that do not see a need for intercollegiate athletics, and the diversion of dollars away from what is perceived as the core academic mission. In fact, there are likely faculty members at Duke and Stanford who wish the institution had an approach to athletics more like Emory. According to a vice president from a Division I institution: "I have occasional faculty members who think we should be more like Swarthmore, but we're not."

It is unrealistic to assume the resource component does not come up on campus, as certain areas may be asked to tighten their belt, or access and affordability concerns proliferate. At Georgetown, the least-endowed institution in the cohort, those pressures are perhaps more significant than at other universities:

> There are a lot of people that say go down to 20 sports, it will save the university a couple million bucks, but I think the view, particularly of our president, is we have an opportunity for just a few million dollars, and we've been able to demonstrate our ability to support it, to allow 750 students to participate in a model of intercollegiate athletics that we think gives them a lifelong framework for learning and leadership. I would say that given that logic and narrative, and the amount we spend on it, we're probably not at the moment moving away from that. There is a good healthy tension around it.

126

There was also an important notion that investment in intercollegiate athletics was necessary for the development of community, which is significant for residentially-based institutions. As one president shared:

> We need some of these intangibles. What we do as residential campuses and the opportunities we have as residential campuses to help people understand the roles of teamwork, the roles of leadership, the roles of followership. Just like people choose different majors, different students gravitate toward athletics, others of them go into the orchestra, others of them are in service organizations. Just like we need multiple majors, we need multiple community instructing activities, of which athletics is a critical one.

Intercollegiate athletics is a major enterprise, because, in many ways, it can be an institution's most significant vehicle for communicating with the external community. That said, college sports are just one aspect of the non-academic life of an institution, and the next section explores the perspective on non-academic programs and services more fully.

5.6.2   Other Non-Academic Programs and Activities

While intercollegiate athletics is an important part of American higher education, it is just a small part of the out-of-classroom experience that a select percentage of students have on campus. Senior leaders were asked specifically about intercollegiate athletics, but they were also asked to discuss their perspective on how resources align with other non-academic priorities. It was interesting to juxtapose their responses with some of the challenges addressed in Section 5.1. It is apparent these institutions are putting more resources into counseling and psychological services to help address mental health issues on campus. They are spending more on information technology, sexual assault prevention education and regulatory compliance.

Respondents were asked to discuss the importance of non-academic programs on their respective campuses, especially with regard to intercollegiate athletics. A number of participants

127

also discussed the role of intramurals and other organized sports as critical programs that influence the culture of their communities. At Emory, a recent organizational change separated the operations of intercollegiate athletics and recreation to "ensure that recreation received the attention it deserved….We just created a new model….Recreation historically hasn't been prioritized in the same way as varsity athletics."

In addition to wanting to learn more about how resource decisions are made, I am also interested in understanding the relationship between academic and non-academic programs, especially given what some might perceive as competing priorities. There is a limit to how many things can be funded, and most project owners would tend to believe their administrative area is of paramount importance. But that's not the environment described by some of our senior leaders, including one Vice President for Student Affairs:

> Right now I think we're in a position of very high regard, particularly as it pertains to health care and mental health, sexual misconduct. Our faculty, unlike any place I've ever worked, are quick to call us, are appreciative, and we're getting all of the cooperation we could ever hope for in terms of respecting that we are in some ways dealing with the most challenging of circumstances and I think that is an enviable position and I can't say that every one of my colleagues has. Our role in providing that administrative backbone is held in pretty high regard right now and I think it's because we've created a pretty strong infrastructure and we're out there very publicly, encouraging the faculty and others to let us know when they see students in distress.

And put succinctly by one president in our cohort: "I just think you have to use every occasion to teach people that these things all hang together…. There's some academic strength you don't get when you run a place as if academics were the only goal."

Another president shared his perspective on the importance of balance between the competing priorities:

> I have a pretty profound respect for what you need to have in place to ensure the overall success of the academic enterprise. You need a safety net to catch kids at risk, you need to run a very vibrant Student Affairs program because they're spending 80% of their time outside of the classroom. If you want the classroom experience to be the most powerful it

can be, you need to ensure that the community you are building is in support of that, is in alignment with that goal.

Residence life is a major component of each of these schools, and multiple senior administrators spoke about the commitment they have to investing in the residential component of their students' higher education experience. At Stanford, the Student Affairs operation utilizes the "Residential Education" moniker to emphasize the importance of this non-classroom experience to the academic enterprise. The Stanford website declares that "ResEd strives to provide the undergrads on campus with a community experience within our larger research 'university bubble' by bringing together the conviction that living and learning are integrated and integral as part of the undergraduate educational experience." This priority was shared in an interview with Vice Provost Greg Boardman (2016):

> I think the university leadership sees this area as extremely important. Especially having a significant residential component where 98% of our undergraduate students live on campus and almost two-thirds of our graduate students, and we have 800 faculty who also reside on the campus property. It's really a community in itself and so that component is viewed by the university as a whole as an extremely important one and what sets Stanford apart in some regards from a lot of places is our overarching commitment to the residential piece. That's why we name it Residential Education, because we feel that it has strong educational components to it.

Yale has also emphasized the importance of its residential system, which is more than 70 years old. The university's stated priority for investing and prioritizing this experience was also evident in the interview with Vice President for Student Affairs Kim Goff-Crews (2015):

> In this particular institution, the institution has always been interested in educating the whole person, and therefore the residential college system is set up to break people down into smaller groups with a home base that would address eat, sleep, play, pray and pay. All the things that you would do in a home environment to aid the intellectual enterprise are actually in the residential colleges. So they all have gyms, they all have libraries, they all have things for extracurricular activities. So the whole college is setup to feed the whole person.

While residential education was a major component of what senior leaders with focus in the Student Affairs realm spoke about, it was just one of a number of areas highlighted throughout the discussions regarding the importance of non-academic activities and services. Certainly life on campus outside the classroom was directly correlated with what took place inside the classroom. One vice president discussed that relationship:

> Let's take reputational quality of the institution, that's one of our strategic priorities – campus life has a lot to do with that and it's my job to articulate that. Student quality and student experience, what that really means is recruitment and retention. Retention is the business that we're in in campus life…I don't think it's always been that way (here), but I think the president's leadership has been really helpful. I don't think he sees anything we do as non-academic. I think everything we do is deeply academic because we're also a residential campus.

The general sentiment from the interviewees was that academic and non-academic priorities work in tandem. At these universities, resources must be invested in residence life to ensure that students have safe, comfortable places to live, so they are prepared to engage in the academic work in classrooms. If a student is going to learn about biology or politics, he or she must have a health services operation readily available. If students are to utilize online channels for research and communication to satisfy academic requirements, then they must have an efficient IT enterprise for support.

Institutions within this cohort seem to view themselves as learning communities, and the distribution of resources follows those aims. As one vice president put it:

> We are trying to create a community, and we are looking at that as a living lab. We spent a lot of money on the campus master plan, making it a much more pedestrian campus, putting freshmen dorms so that it's a little village, having each dorm have a theme, working on some common spaces…Are we saying that there are certain skills that whether one absorbs them or not depends on whether they're in a classroom or not? I think yes you can be in a classroom studying something, but you can be out on your climbing wall and you're seeing the experiential learning of a concept that you picked up in the classroom. I'm sure they aren't mutually exclusive.

Of course, this is not to suggest that resources are necessarily distributed in equal fashion. Each campus will have various priorities, and those priorities are likely to shift over time. The decisions made, specifically with regard to the relationship between academic and non-academic pursuits, seem to have a great deal to do with balance: "We make a lot of those decisions with a view to the totality of the experience that we are providing for students."

In the previous section, we discussed the investment institutions make in intercollegiate athletics. That investment is also made in other non-academic areas to provide students with important learning opportunities they might not otherwise have. As one vice president explained:

> There's also a belief that a lot of learning does happen outside the class…a lot of what (the institution) is trying to do is trying to develop leaders for the future, so it's a lot about making sure there are ample opportunities for leadership development, and then also that there are a set of non-academic skills – things like teamwork, communication, leadership, influencing skills – these are things that you want people to have a lot of opportunity to practice and experiment, and there's so much diversity in terms of what people might be interested in doing, you want them to experiment in ways that they'll be comfortable experimenting doing it, and you want them to have opportunities to do things that they won't be comfortable doing.

The idea that educational value exists outside the classroom was shared by all of the senior leaders interviewed for this study. Tangible examples of what that means on their respective campuses were discussed. The next section focuses on a couple of the most pertinent examples demonstrating the strategic use of resources in developing a program combining academic and non-academic components.

5.6.2.1 DukeEngage

In 2007, DukeEngage was launched as a result of the establishment of a $30 million endowment. The program aims to "empower students to address critical human needs through immersive service, in the process transforming students, advancing the university's educational mission, and providing meaningful assistance to communities in the U.S. and abroad" (DukeEngage, 2016).

131

DukeEngage provides one-time funding for undergraduates to pursue a service experience by meeting a community need. Since the program's inception, more than 3,200 students have participated, and additional funding has been raised to support the program. Projects have taken place in almost 70 countries around the world, and in many cities throughout the United States (DukeEngage, 2016).

An important outcome of the program occurs post-project, when students return to campus and have the opportunity to reflect on what they learned, and share their experiences with other members of the community. To that end, only first-year, sophomore and junior students are eligible to participate. The program has been transformational for the university, and more importantly, for the students that call it home. As one vice president shared:

> DukeEngage is a signature program of the university…It allows students to propose projects around the world that Duke would fund…it was driven by this strategic priority that students should be engaged in global problems and global issues. And so they are allowed to go out and either study or serve in these remote locations. But that was an idea that ties to what they're learning in the classroom, but it's not a classroom-based initiative, it's really a much broader initiative. So our faculty are certainly interested in the classroom experience, but I would suggest they are even more focused on experiential learning for our student body and that's where some of the really interesting initiatives come from the strategic plan.

DukeEngage benefits from resources raised to support the program in perpetuity, but the university's strategic priorities helped identify the opportunity, which combines work happening in classrooms with experiences in the non-academic world. And practically speaking, because the resources are earmarked and exist for this purpose, there is not a fight for those dollars to come from elsewhere in the operation. As President Brodhead (2015) put it: "We were very fortunate that we got a $30 million endowment gift at the beginning of it, but we've raised $20 million for that program in our campaign, and it's been very easy money to raise, but it means we don't have to gouge the French department to get the money to fund DukeEngage."

DukeEngage provides an example of a program that is non-academic in nature but provides important learning experiences outside the classroom. The senior leaders at Duke were strategic in their ambitions for launching this program, as well as the alignment of resources that help provide opportunities for students. This practical example directly addresses two of the guiding research questions, as Duke has aligned strategy with operating plans, and has been clear in its declaration of the importance of a non-academic program that has become a hallmark of the institutional community.

5.6.2.2 Designing the Future(s) of the University

Georgetown Provost Groves (2015) discussed the university's Designing the Future(s) program as an example of aligning curriculum with non-academic programs. In his words:

> Things that have educational value, that were normally outside the curriculum, we want to get aligned with the curriculum. The Designing the Future(s) program is trying to attack that assumption and bring that learning inside. Gradually, this thing that every university calls student affairs or student services, which has always been outside the academic side, if we pull this off at Georgetown, will be more integrated and there'll be parts of that really aligned with the curriculum.

Designing the Future(s) is defined as "an integrative initiative engaging the whole Georgetown community. It is an exploration of issues facing higher education. And it is active experimentation with new ways to deliver the education we value into the future" (Georgetown, 2016).

The concept of the initiative is to use the intelligence, creativity and passion of the community to reimagine the educational experience. It combines multiple domains, and is not limited by traditional thinking. In fact, Designing the Future(s) takes place in "a small red townhouse just across the street from campus…a safe creative space for faculty and staff to spin

133

out new ideas that have the potential to deepen student learning and improve the teaching experience of faculty while reinventing the university's model" (Georgetown, 2016).

President DeGioia (2015) believes that the transformative work transpiring in the Red House can have a greater impact than anything taking place on campus:

> I would argue it may be the most single valuable piece of real estate in American Higher Education right now. We launched an effort in November 2013 called Designing the Future(s), which is what does the future of the university look like? In order to get that started, we actually launched an $8 million internal investment, called the Initiative on Technology-Enhanced Learning. Eight million dollars available, no strings attached, you simply had to compete for it as members of the faculty. How could technology improve and enhance the quality of what you're doing here? Over the last three years, 250 faculty have secured funds on 153 different projects, all supported by this $8 million of seed funding on technology-enhanced learning.

Examples of work being done in the Red House include initiatives aimed at credit-bearing mentored research, variable credit courses and project-based minors. Georgetown is throwing out the notion of the traditional classroom, and investing resources to guide the innovation. Designing the Future(s) is another practical example of aligning resources with strategic aims, as well as a declarative statement regarding the importance of learning outside the traditional classroom.

5.7   FINANCES AND ALIGNMENT

Universities, especially the five that are the focus of this study, are large enterprises. All of the schools highlighted run multi-billion dollar operations, meaning there is a lot of money coming in and going out, each year. While each of these institutions would be the envy of most of their higher education peers in terms of available resources, there was a sense from all five that

resources on their campuses are also finite and constrained. Quite simply, there is never enough money as students and faculty can use to achieve their ambitions.

This sentiment echoed across the five universities, and senior leaders shared anecdotes and perspective on how their operations are financed, and decisions made, with available resources. This section will examine how resources impact decisions, and how it all comes together.

5.7.1   Money in the Center

Earlier in this chapter we discussed the philosophy universities in this study seem to share; money is mostly appropriated out to schools and departments, and the amount left in the center, for administrative decision-making and allocation is relatively modest. It is important to emphasize this point; while the institutional operations are multi-billion dollar enterprises, the appropriation for the vast majority of resources resides at a local level. That is, the functional area owners have wide latitude, and the senior leaders of the university do not allocate as many dollars around the institution as one might expect.

The presidential lens on this approach is quite interesting. As one president said about his own role in the allocation and decision-making process:

> It's never the day I sit at my desk, put on my green eyeshades and somebody brings in six things and I say we're going to do A, D and F, and the rest I never want to see those again. That's not the way the choosing takes place at a university. It takes place over time by a community coming to understand that some things are more important than others, and I'd say the president has a major voice in that process, but not a unique voice.

While the president may not sit in his or her chair and manage by decree, the culture set from that office has a significant impact on how the institution handles its business with regard to strategic planning and decision-making.

135

In Section 5.2, one of the presidents discussed the importance of having money available in the center to advance the university's mission, and suggested that "gambling" was sometimes appropriate. The "gambling" approach may be unique, or at least more pronounced within this sector of higher education, as losses will not necessarily change the institutional position in the higher education marketplace. Schools like Duke and Yale can afford to gamble more, and that provides the opportunity to advance their operation when they invest correctly. A win can make a big impact, and a loss is not catastrophic. This type of behavior provides flexibility for the senior administration, and also opportunity for members of the community to be creative:

> And if it works, wonderful and we'll ask for base funding, if it doesn't work, we'll move on to another idea. It's a little bit different approach than I've had in the past, in regards to, it allows us to be more creative and think outside of the box. Try it and we'll see if it works – and so, I feel that's a wonderful approach and I feel fortunate that I'm here to be able to think in that way.

This is not to say the five universities in this study are flush with funds in the center, or in their departments and units. As noted earlier, regardless of the financial position of these particular schools, resources are still an issue. The difference, it seems, is these universities can afford to miss, even if that is obviously not the desired outcome. There is not a big pot of funds sitting in the center, and senior leaders recognize the dollars that are there cannot be squandered. As one vice president shared: "If we all agree that we want to launch a new initiative, then it's clear there's not a big pot of money sitting somewhere, so we all have to decide how we're going to come up with the resources to do that."

The concept of alignment was one discussed in a number of conversations. One president stressed that alignment was integral to the efficient and strategic use of resources: "When you don't have alignment, you can almost do nothing. If you have alignment, there's almost nothing you can't do." With that concept in mind, it is important to highlight a couple of examples that

demonstrate the way alignment and resource allocation come together, especially with funds that exist in the center.

5.7.1.1 Stanford and Financial Aid

In order to get a sense for how finances and strategy can align, this section with present an anecdotal example shared by the senior leaders interviewed from Stanford. For the undergraduate cohort entering Stanford in Fall 2015, financial aid packages were more robust than they would have been one year earlier. As part of a strategic focus on overall affordability and accessibility, Stanford expanded its financial aid program, and increased the income thresholds at which parents are not expected to contribute to tuition and fee costs for their children. Previously, Stanford did not expect parental contributions toward tuition if the combined parental income was less than $100,000. Last year, Stanford increased that threshold for the 2,144 students it admitted to $125,000 (Shaw, 2015).

Increasing the financial threshold for families comes at an expense; that much is logical. What is important for this study, however, is understanding how the decision was made to focus on financial aid as an institutional priority, and from which pocket the funds to support that decision came. While we have established the majority of funds at these institutions are in academic units, a university priority such as expanded financial aid comes from dollars senior administration controls.

Stanford CFO Randy Livingston explained in our interview that Stanford traditionally has $10-$15 million of available resources for central distribution. The requests for those dollars far exceed the available capacity, and Vice President Livingston (2015) described the process:

> We typically would have 100-150 requests that might total $30-$40 million in incremental spending. And the way the process works is there's a budget group, which is a committee made up mostly of faculty, it's chaired by the Provost, I sit on it, and there's

a Vice Provost for Budget…. Each of the budget units comes in and makes a presentation to us with their request, and then at the end of the process we have a massive spreadsheet that has these 100-150 requests that are highly variable and each of us essentially votes on if we're trying to give out only $10 million, how would we allocate our $10 million across the 26 units, against the 100-150 requests? And then we all vote and then the Provost, as the chief budget officer, he looks at everybody's input and he makes the final decision.

Livingston says that for the most part, allocations are reactive rather than proactive, and the committee does not have as much opportunity to be strategic as one might expect. Last year, the Dean of Admission proposed a substantial increase in undergraduate financial aid, which was an opportunity to employ resources in a strategic fashion. With regard to the importance of financial aid at Stanford, Provost John Etchemendy said on the university website: "Our highest priority is that Stanford remain affordable and accessible to the most talented students, regardless of their financial circumstances" (Shaw, 2015).

When approached with the idea of using central funds to increase overall undergraduate financial aid, the committee responded with an allocation of $5 million to support the priority. President Hennessy (2015) also discussed the decision in our conversation:

That's a big change that ripples through the system…For something like that which involves a significant financial commitment, we would use one-time funding sources, sort of as a fill-in while we began to put regular operating budget money under it over time.

Although Stanford, and other universities, may not always have the opportunity to use central funds for strategic purposes, it does seem that if there is an initiative with broad impact, such as improved financial aid, central funding may be available for initiatives that align with strategic priority. This example provides a direct response to the third research question, which asked how strategic planning and resource allocation align. Stanford's investment in financial aid demonstrates how one university is utilizing its available resources to help push strategic aims forward.

5.7.2 Interdisciplinary Strategy

Central funding is not always available, however, regardless of how many billions of dollars run through the financial operation of the university each year. And relying on central administration to fund new initiatives, ideas and local priorities, is not necessarily a winning notion. The senior leaders discussed this reality in our interviews, as well as the need for interdisciplinary collaboration to execute strategic work at their universities.

We have addressed the decentralized nature defining these institutions, and that cultural characteristics make it challenging for collaboration. But it does seem, based on the conversations with leaders of these institutions, that working together, and combining available resources to be efficient, is the most realistic approach for moving strategic priorities forward. As Emory Provost Sterk shared: "I feel myself sometimes as the orchestra conductor in the sense of facilitating a lot of exchanges that allow for optimal use of resources, so instead of having five groups do their own thing, say actually I can partner here, do this better."

For some, it seems minimization of the "silo effect" is critical to maximizing resources. At Georgetown, with the leanest financial operation of the five institutions, moving strategic priorities forward has everything to do with crossing boundaries and connecting opportunities. Provost Groves (2015) discussed that concept in our interview:

> We think that to remain small and research-oriented you actually need joint appointments, you can't make every silo as big as it needs to be to be good. So joint appointments will be key to the future of Georgetown. In a way, we have said we will remain a small research university but we're going to try to go for the brass ring by being outrageously integrated, in ways that very large research universities have trouble doing, because their silos have bigger walls than our silos.

Georgetown is hopeful that integration, especially at the administrative level, is a key to developing competitive advantage within its peer set of institutions. Augostini (2015) who works closely with the provost, echoed the same sentiments about the university's approach:

> Oftentimes alignment has to occur between the big projects that will occur between schools because alignment within a school occurs pretty routinely. It's when we're dealing with issues between the schools that it becomes vital that we drive alignment with our Board and between the schools, and we make choices about resource allocation.

It is the senior leaders who try and make those connections, facilitate those conversations and ensure that integration, alignment and collaboration can cut across disciplines. While there are centrally-funded dollars available to provide strategic opportunities, the senior leaders are also critically important to ensuring strategic work can happen across multiple domains. As one vice president said:

> Is there something big we can create? It would take buy-in from a lot of units and it gets very complicated, but let's start thinking about that and if these things are something that we think we could really have an impact in, let's start to create a multi-year plan to make that happen.

There are multiple examples regarding interdisciplinary work and strategic initiatives at the five institutions, and we will take a closer look at how the Duke Global Health Institute came into operation.

5.7.2.1 Duke Global Health Institute

Established in 2006, the Duke Global Health Institute's mission is "to reduce health disparities in our local community and worldwide. Recognizing that many global health problems stem from economic, social, environmental, political, and health care inequalities, DGHI brings together interdisciplinary teams to solve complex health problems and to train the next generation of global health leaders" (Duke University, 2016). Moreover, it was established as a university-

wide institute to "coordinate, support, and implement Duke's interdisciplinary research, education, and service activities related to global health" (Duke University, 2016).

For the past decade, the Duke Global Health Institute has been a leader in its domain. How did this happen without a monumental infusion of resources from central administration to fund the entire operation and get it started? Duke President Brodhead (2015) shared the background:

> At a place where medicine is so prominent, at a place that's so much into the linking of theory and practice, linking the academy and the world, the idea of creating a global health institute struck me as a natural idea here. That was adopted as a strategic priority, and within three or four years, we had 84 faculty members in global health appointed in every school, including divinity. You couldn't accomplish that with money alone. You had to have the money, but you had to have the deans looking out for their self-interest in a narrow way, but also looking out for a portion of their self-interest that could only be enhanced by doing things collaboratively.

Certainly, there was money from central administration, but President Brodhead emphasized the vision could not have been achieved without collaboration across the university's many disciplines. While that sounds positive in theory, there is a practical element that must take place when significant resources are needed to establish faculty positions and other operating line items. Duke Vice President Tim Walsh (2015) discussed some of the steps that took place:

> The key to it was the initial resourcing of it from our central pool of funds, which I mentioned are the most valuable because that's where we can place our most important strategic bets. So we put central money behind the Global Health Institute, the School of Medicine put some of its resources behind the Global Health Institute, we hired the best person we could find in the world, brought him down here, brought faculty behind him, and built this Global Health Institute over a decade into an absolute power globally. But at first it was just a concept, what would a Global Health Institute even mean in the middle of North Carolina? But the impetus for it has got to be some resourcing that makes it comes to life, rather than just be a concept in a paper or a book.

The resourcing came from Duke's strategic investment program, which was tied to its last strategic plan, but the ongoing support came from the academic units. President Brodhead (2015) elaborated on the funding approach:

141

We did not pay for, nor could we have afforded, all of the positions we filled, but we put up a little incentive money…there's been just enough money so that people can say 'oh, you mean I could get a professor for my school by putting up half the resources and having them be matched by university central funds, provided that I appoint somebody in the general area of global health?' So that's how we ended up with so many faculty.

The collaborative nature of the Global Health Institute, and the interdisciplinary buy-in that occurred to make it a success, were critical to Duke's ability to carry out a strategic initiative. For Brodhead, the reason the initiative has been successful is fairly simple – university citizens are passionate because they have a stake in the game: "People support what they create. It is true that when people have had some role in shaping a definition of priorities, they want to contribute to those priorities and they want to advance them. They don't see them as antithetical to the priorities of their own unit."

The concept of incentivizing behavior, which was a major component of Duke's approach for the Global Health Institute, is something that central administrations within this research cohort seem to utilize to maximize resources. As one vice president noted:

Most of the investments we make are really incentive investments, rather than full-pay investments. We're trying to get people to do certain kinds of things but they have to co-invest in them. What we don't want to do is just give people to add on top. Because universities are full of people with ideas that could consume any amount of money you can think of. There'll be some where we'll actually fund it all for a while, and then tell the people they have to pick it up. Centrally, we control a relatively small percentage of the money.

This approach was shared by another university, which provides opportunities for partnership through allocation of central funds: "In the budget plan, we will work with the various units on their strategic priorities and if it's something that is perceived to have a high impact, we will partner with the unit and explore making university resources available for that." The Duke Global Health Institute is an example of how a university aligns resources from various departments and units to help achieve a strategic goal.

Whether the funds come from central administration, the various academic and administrative units, or a combination of both, the dollars are real and must come from somewhere if new initiatives are to take form. With tuition costs escalating to levels that senior leaders called a significant challenge, there is a sense that innovation on campus will be a result of successful philanthropy. That idea is discussed further in the next section.

5.7.3   Innovating Around Philanthropy

One of the greatest opportunities for strategic initiatives, as well as one of the most significant challenges, is innovating around philanthropy. Higher education has long been a destination for philanthropic dollars, and often, donors are attracted to new initiatives they believe in, and that cannot necessarily be accomplished without their help, and generosity. To further understand the role that philanthropy plays within higher education, we can examine how endowments truly work. Stanford's $22 billion endowment is not simply a pot of money that generates new funds to be spent however the university wants; rather, most endowments are best thought of as a series of mini-endowments that have specific and restrictive purposes for their use.

Individuals making significant gifts to universities are most likely to want to give to a purpose, and understand how their money is making a difference. As one Vice President for Advancement said:

> Donors, particularly the biggest donors, don't want to fund your current or anticipated operating deficit. They want to fund new and incremental things. They want to fund more, better, faster, longer, higher, farther. They're not interested in subsidizing the existing budget.

If this is the case, then senior leaders must be thinking about philanthropic dollars to fund new strategic priorities. Yale President Salovey (2015) believes that one of the most important

things he does for the university is raise funds to help spearhead new initiatives: "If you want to see that strategic vision accomplished and implemented, you have to be the chief fundraiser for it."

While the presidents are clearly involved with fundraising for strategic priorities, the senior leaders in advancement and development are charged with overseeing the administrative area that can bring needed funds to campus. A critical piece of their job, it seems, is to not only help raise those dollars, but to discourage initiatives that do not directly support strategic priorities and mission, and can take away focus from the areas it is needed most. As one Vice President for Advancement put it:

> One of the things I've felt a big responsibility to do, and I think I've accomplished a fair amount here, is to discourage, I don't have the power or authority to prohibit it, especially where a dean or other university officer and a donor desire otherwise, but I have worked to significantly diminish the frequency with which we create new programs with new spending obligations that are in fact or are likely to be viewed as indefinite or ongoing on soft money, or on current use giving.

Making those determinations about what is mission-critical and has the potential to move the university forward is an essential job component for the administrative leader of an Advancement team. Another Vice President for Advancement addressed that issue:

> Demand outstrips our capacity. Our problem is being able to understand the prospect pool we have, what the alignment is between what our alumni and donors are interested in, what we need to move forward, what is a fundable priority from an institutional perspective, but also understanding there may be very important priorities for the university or for individual units that are simply not philanthropically fundable.

Philanthropy is a critical component for funding strategic resources, and was a topic of conversation in many interviews. Ensuring alignment between finances and strategy most certainly involves this revenue-producing arm of the institution.

5.8   ROLE OF FACULTY

Members of the faculty, especially at elite academic institutions such as the ones in this study, are integral to the success of colleges and universities. Learning is a fundamental outcome for students, and faculty does the classroom teaching. While I was explicit with my research focus on understanding the prioritization of academic and non-academic programs at these five institutions, I was not as explicit about trying to highlight the role of faculty in the resource allocation decisions of the institutions, or in development of university identity. Although it was not addressed directly in the research questions, the role of faculty was a critical piece of many conversations and emerged as an important theme in this study. In that sense, it became apparent that faculty are critical to university identity, progress and decision-making.

Although faculty are primarily responsible for the teaching, their influence often goes beyond the classroom. Faculty seem to have a significant role in strategic planning and budget planning committees, often accounting for the majority of positions filled in those respective bodies. This type of involvement and influence has much to do with the concept of shared governance – a key distinction between universities and companies in the private sector. Faculty emerged as the most influential people within the university setting. As one vice president shared:

> Universities are a two-tier culture, the faculty are really the royal class and all us that are staff members are serfs of a kind. The faculty are the ones that do the teaching, they're the ones that do the research, and the reputation of the university is really built for most of us on our academic programs.

That perspective was also shared by a senior leader from Yale: "At Yale, there's a saying 'Harvard is governed by its schools, Princeton is governed by its alumni and Yale is governed by its faculty.'"

Given the role of tenure, and the fact faculty members can span multiple generations, there was some sense that faculty resistance to 21st century higher education techniques and innovation was also a challenge:

> I think the challenge is that faculty quality drives the reputation of an institution and it drives the student experience. We, like many other universities, have a faculty that I don't want to say there's a generational divide, but more of a divide around those that want to be innovative from a pedagogical point of view, and those that sort of like the way things have been for a long time.

That perspective was echoed by a vice president interviewed in the study: "I think that the older faculty are less open to a more experiential part of learning."

If some faculty are less open to experiential learning, does that impact the way resources are allocated across the institution? There is nothing definitive in this research about that possibility, but if we accept the concept of shared governance as reality, then, given the aforementioned generational divide, there may be a cost in terms of the speed and flexibility with which these institutions can operate.

Is it possible that faculty, and its apparent collective power, can impact strategic progress? At least one individual interviewed for this study sees the relationship as a significant challenge: "There's just a real disproportionality between investment input and output in the faculty/university relationship. If it's perceived and believed that faculty won't support it, it becomes inconsiderable, and I think that's a problem."

Although faculty seems to have the most influence, it does not necessarily mean institutions are focused solely on the academic side of the ledger. As reflected in Section 5.6, there is a relationship between both sides, at least at these five institutions. As one vice president noted: "It's easy to think that the faculty would be classroom oriented. The reality is the faculty

always run these strategic planning processes for us, and some of the best initiatives that we have had from the recent strategic plan were outside the classroom."

The perspective from the top is also critical, and one president shared his perception on the role of faculty and the importance of shared governance: "I don't think you can be successful unless you have a deep commitment to trying to ensure the alignment of your Board and your faculty, to transparency across your institution and a profound commitment to shared governance."

Although it was not intended to be a major part of the conversations, the role faculty play at these institutions is profound, and their influence is an important finding, as we try to understand the way resources are allocated and strategies developed.

5.9   SUMMARY

In this chapter, we reviewed the findings from the 22 interviews with senior leaders at five of the country's elite academic institutions. Through the discussions, we were able to learn about the challenges facing this sector of higher education, the decentralized nature of the universities and communication practices within senior leadership teams, and throughout universities. We also examined the role non-academic activities and programs have within the institutional context, and the influence faculty have on the academy. Finally, we looked at how decisions are made with regard to strategic initiatives and distribution of finances. In Chapter 6, I will synthesize the key findings of this study relative to the guiding research questions, and analyze the meaning of those findings.

6.0   CONCLUSIONS

The purpose of this dissertation was to address a number of research questions developed to help understand how senior leaders make strategic decisions and allocate resources to run their institutions. Specially, the study sought to answer the following questions:

1. What are some of the major challenges facing this particular sector of education?

2. What is the presidential perspective on strategic planning and resource allocation?

3. What is the alignment between strategic plans and resource allocation?

4. What are the forums for communication at the senior administrative level and what are the processes employed for making decisions?

5. What role do senior leaders play in agreeing upon and implementing tactical objectives?

6. What is the relative importance of non-academic student services, including athletics and recreational activities? Are resource allocation decisions for those functions aligned with perceptions?

In Chapter 6, I will analyze the findings as they relate to the research questions above. I will also address the possibilities for future research in this domain, and present the limitations of the study.

In this dissertation, Chapter 1 informed readers about the topic I planned to research, and the questions that would guide me in that endeavor. Chapter 2 was an exploration of the

literature that already existed about this topic, as well as a review of qualitative interview research methodology and case studies that had utilized this method within previous higher education studies. Chapter 3 presented the research design, and   introduced the case study institutions in greater detail. Chapter 5 shared the findings from the 22 conducted interviews, and this final chapter includes the "so what" component, offering analysis of the research while hoping to provoke future discourse on the topic.

Throughout the conversations with the interviewees, review of existing literature and analysis of the research findings, I was cognizant in tracking on the relevance of my findings with the research that has already been conducted in this area. The utilization of a semi-structured interview approach provided opportunity for pertinent follow-up questions with subjects based on the direction of the conversation. This allowed for a natural discussion to ensue, as opposed to the restrictions associated with a structured approach. Given the stature of the higher education leaders I interviewed, the semi-structured approach provided the necessary flexibility to fully engage each individual during our discussions. The main ambition of the research was to understand how universities in this sector truly run. It is important to reiterate that not all of the interviewees addressed the research questions directly. Chapter 5 shares the findings and themes that were revealed through those conversations and Chapter 6 will discuss how connections are made.

6.1   DISCUSSION

6.1.1   Strategic Planning Approach

In the literature review, themes emerged that suggested that higher education lags behind the corporate world in the way it utilizes strategic planning. In some ways, this is fairly simple to understand. In the corporate world, profits are the most critical metric and outcomes are largely based around increasing overall income. Strategy should be aligned with those aims, and while that particular point was not a focus of this research, Conway, Mackay and Yorke (1994) did discuss the complexity of strategic planning in higher education when compared to the corporate world.

In Section 2.1.3, we reviewed strategic planning processes from a number of higher education institutions – Princeton, Swarthmore, Marquette and others. We also explored the tools utilized in some of those processes, such as SWOT analysis, resource-based planning and external scanning. With those examples in mind, I was interested to learn what the senior leaders interviewed for this study had to say about the practice of strategic planning within their institutional setting.

My interpretation of the literature was that strategic planning was a major component of 21st century higher education – it would seem that colleges and universities were utilizing planning mechanisms to ensure that resources were aligned with strategic goals to help drive desired results and outcomes. In Section 2.1.1, we discuss examples from Northwestern and Penn State that demonstrate the use of strategic planning and the role it plays in setting direction for higher education institutions. My expectation was that the elite universities studied in this

sample would be exemplars of strategic planning and decision-making. The qualitative interviews revealed a different reality of the approach institutions are taking.

Certainly, Duke and Emory are fully engaged in strategic planning processes. The provosts of those institutions are leading the university-wide planning initiatives, and the senior leadership of those schools seems to believe that a formal roadmap is a necessary component of their future. Georgetown, Stanford and Yale, however, seem less convinced that the formal university-wide plan is a meaningful activity.

While those three universities may not subscribe to the institution-wide strategic planning philosophy, that does not mean that all of the senior leaders at those schools agree with that approach. In a couple of the interviews, as discussed in Chapter 5, senior leaders expressed that a lack of documentation for strategic priorities could present challenges in carrying out the work of the institution.

My perception is that strategic planning, especially at this set of universities, occurs largely at the behest of the president. If the president believes that strategic planning is important for his or her institution, then the university will likely have an all-encompassing strategic plan. If the president thinks that a strategic plan is "static," as one president in this study noted, then it is unlikely that the institution would take on a formal strategic planning practice.

This assumption is supported by the presidential comments shared in Section 5.2. Duke President Brodhead (2015) believes in the importance of university-wide strategic planning and said that "creating university-wide initiatives that benefit everybody, that's been the heart of the strategic planning exercise at Duke." On the other hand, Georgetown University President DeGioia (2015) does not share the same perspective on the value of producing an institution-wide strategic plan: "I think they're static, fixed in time and they really are stultifying." President

Brodhead and President DeGioia lead two of the most renowned institutions in the United States, and they have entirely different perspectives on the importance of strategic planning. This was an interesting finding for the study, as I had expected that strategic planning, especially following the economic downturn, would be characteristic of all elite academic institutions.

One of the key findings from the conversations, however, was that a formal strategic plan is not needed for the institution to have strategic initiatives, or to make strategic decisions. Certainly at the senior level, strategy is a major component of daily business, regardless of the existence of a formal institution-wide strategic plan. What is more difficult to understand, however, is how the lack of a university-wide strategic plan impacts the rest of the community. Would a documented plan help inform the community about strategic aims? Based on this research, it is difficult to make a conclusion in that area. I am not able to reach a meaningful conclusion on whether or not alignment of strategy and finances is more likely to occur if an institution publishes a strategic plan or not.

It is possible to conclude, however, that strategy is undoubtedly linked to fundraising initiatives within this set of institutions. In review of capital campaigns that were underway or had transpired at Stanford, Duke and Georgetown, goals were developed to help accomplish strategic initiatives. Stanford President Hennessy explicitly discussed the development of strategic goals to aid the university's fundraising initiatives.

While three of the five institutions do no engage in formal university-wide strategic planning processes, various departments and units have strategic plans of their own. Many of the interviews addressed the decentralized nature of universities, and given the comments and practices revealed about strategic planning in general, it seems that strategic plans may be more utilized at the local level than the institutional level. I would attribute this reality to the

perspective of the institutional president, as well as the most effective way of achieving desired outcomes in a decentralized environment.

6.1.2 Alignment of Resources in a Decentralized Environment

With little exception, the senior leaders from the five institutions discussed that the vast majority of resources within their universities were not held in the center. Instead, as a result of largely decentralized environments, most of the dollars are directed to, and managed by, the academic schools and administrative departments. Duke Vice President Walsh (2015) discussed how it all comes together at his university:

> Ninety-five percent of our financial activity happens out of the decentralized units. They happen in the schools. And then a very small portion is centrally directed…understand that the core of our operating budget exists within the schools today, the deans decide what those priorities are, and they're the ones allocating resources to it…However, those plans that are created and then executed now within the schools are all also coordinated with the Provost's Office. The provost oversees those deans, we have single year and multi-year financial plans that are aligned with the direction of those schools, and the Provost has to sign off on those before they proceed. So most of the decisions are made within the schools, but subject to the Provost agreeing with the direction that is established.

The institutions hold relatively few resources in the center, but there is collaboration between the academic and administrative units with members of the senior administration – in Duke's example, that coordination happens between the academic department heads and the provost. Vice President Walsh acknowledges that the decisions are made in the units, but there is collaborative work that happens to ensure alignment. Ultimately, individuals like the president and provost are involved in the major financial decisions that are made in the decentralized environment, but in the example from Duke, they are not the ones approving the vast majority of business decisions.

This decentralized model seems predicated on a couple of important points. First of all, individuals like the dean of the school of medicine and the director of athletics are the experts in their own domains; they should be the ones deciding how dollars are aligned with strategic priorities that impact their areas directly. On the other hand, with resources constrained and new revenue streams difficult to come by, this model makes it more challenging for university leadership to allocate funds for institution-wide strategic priorities. While there certainly are dollars available for those initiatives, there seem to be fewer than I had anticipated. There just are not big pools of money available to take on new initiatives.

Stanford CFO Randy Livingston described the university's annual operating budget process in our interview, and echoed many of the same sentiments as Walsh. At Stanford, the medical school and business school are "tubs on their own bottom," meaning that the decentralized units are expected to be self-financing. The other five schools, as Vice President Livingston (2015) described, are not formula units and are subject to a centrally-managed annual budget process. But while there is a central process in place, the reality is that those schools already have dollars assigned their way:

> But even for those units, a lot of the funds, particularly in the schools, is already designated or restricted to them. So for example, they have their own research grants, they may have their own endowments, they have certain gift flow, so there are a number of revenue flows that go directly to those units or schools, but the tuition revenue and indirect costs and some unrestricted endowment revenue is collected centrally and then allocated back through our general funds budget process…We start with what they had before in terms of salaries and other expenses, and we assume that base rolls forward with salary increases, benefits increases and inflation on the other expenses. And once we do that, the increment of budget that is available to allocate out is about $10-15 million a year. So this is a pretty tiny amount on what collectively across the university is a $5 billion operating budget. (Livingston, 2015)

The initiatives that do cross disciplines, seem to be tackled through a process of collaboration. Senior administrators were clear that because of the lack of funding held in the

154

center, efficiency was critical to moving aims forward. As an example, Duke's establishment of the Global Health Institute is an example where the central administration provided strategic seed funding, but also developed a model that incentivized investment from the academic units. This interdisciplinary collaboration and buy-in was the most effective way for the university to take advantage of available resources. It may have been difficult to achieve such success if the central administration had to try and fund the entire initiative.

In trying to understand how universities run, the Global Health Institute is a strong example of the work it takes to develop a culture that helps institutions achieve in this regard. Duke's senior leaders discussed the university's strong culture of communication and collaboration, especially within the administration. It seems likely that the emphasis on this type of culture better positioned the university to combine resources from across the operation to tackle a major, and expensive, initiative.

It is important to note that one of the main ambitions of this study was to understand how decisions are made – the lens shared regarding the decentralized financial environments that define these particular institutions is quite telling. It seems that senior administrative teams spend a lot of time together, to ensure that there is understanding across the university leadership of the major challenges and opportunities on the horizon. At Emory, the senior leadership meets for two hours every Tuesday. At Georgetown, the Bullpen provides an opportunity for communication with the leaders of the university. Yale President Salovey was explicit in sharing his thoughts on communicating within the leadership structure.

The communication at the senior level was expressed as vitally important by those interviewed for the study, but the revelation is that strategic alignment of resources happens at a much more local level. With only two of the five institutions having university-wide strategic

plans, and the understanding that most of the institutional resources at these schools are not held in the center, the operational reality seems to be that deans and department heads are charged with aligning their own resources with strategic decisions that will move their areas forward. If those areas move forward individually, then the university makes progress as a whole.

The senior teams leading these universities get together and communicate often, but they do not sit in a small room and make decisions about every dollar and where it should go. In fact, they do not sit in a room and make decisions about where most of the institutional dollars should go. They may have that authority and flexibility, but to the point I was most interested in learning about through this study, that is not how universities run. The level of centralization or decentralization may vary by institution, but this research made clear that most of the strategic decision-making and alignment with resources happen within respective academic and administrative areas, and as a result of communication with members of university leadership.

6.1.3   Relationship Between Academic and Non-Academic Programs

The realization that universities, especially those in this study, can largely be described as decentralized environments, is not a novel one. But when trying to understand how the operation all comes together, recognition of this culture is paramount. My initial foray into the world of research began with a survey that was distributed to senior leaders at private research universities ranked among the top 30 in the *U.S. News and World Report*. The focus of that survey was to understand the role of non-academic programs and activities in highly-intense academic environments, and how resources followed those ambitions. The survey provided some important information, and set the stage for addressing this particular topic area in the qualitative

interviews. There are a number of significant observations to share following analysis of the findings.

First, my own definition of non-academic programs and activities, and perhaps the definition by others who have done research in this space, seems to be entirely too narrow. In discussion of the challenges facing their institutions, almost all of the senior leaders identified areas that are inherently non-academic – sexual assault prevention, regulatory compliance, information technology. Before embarking on this study, my lens of what constituted the non-academic side of academe included intercollegiate athletics, recreation, student activities, housing, dining and other student-focused departments. But facility development and capital renewal are not part of classroom instruction, nor are campus safety and human resources. It became clear through the interviews that non-academic programs and activities are much broader than I initially appreciated.

In discussing their impressions and perspectives on the role of non-academic programs and activities at their respective institutions, interviewees were consistent in their lens that the two sides of the house must be integrated and complement one another. At Stanford and Yale, residential education is a major component of university life, and the housing experience is considered a significant part of the learning environment at those universities. At Georgetown, despite having fewer resources than most peer institutions in the competitive set, the university sponsors 27 intercollegiate sports, when it could save significant money by offering fewer opportunities. When asked about non-academic programs, multiple respondents offered that sports, housing and other areas were actually academic and part of the same enterprise. There was a surprising sense that these were not competing arms of the university, but rather, necessary and complementary pieces that needed each other.

6.1.4   Influence of Government

I had not included government influence and relations as a research focus in this study, but it emerged as an important finding through the conversations. As detailed in Section 5.1, many of the interviewees recognized reduced government investment in research as a significant issue on their campuses. The understanding of this challenge is important, as it is so clearly on the minds of the leaders of the country's elite research universities. The findings are also important, however, in understanding the role that government plays, and the influence it has, on the work being done at American universities.

I would have expected the role of government to be much more pronounced in a similar study conducted with public research universities than in a study focused on private institutions. Likely that is still the case, with government subsidies impacting tuition and other aspects of the enterprise at public institutions. On the other hand, it was clear that government funding of research is not only about the provision of resources, but about what is being researched in general.

As one president shared in his comments, "Society, through our government, over really just a little more than a century-and-a-half in the U.S., has discovered the potential utility of universities, and sadly, too often, our universities have agreed." This statement was one of the most profound, and revealing, that transpired as a result of the conversations. There is a significant relationship between government and the work done at research universities. And the importance of government funding to carry on research at universities demonstrates that the public has unquestioned influence on the work our universities do.

6.1.5   Role of Intercollegiate Athletics

There are many similarities between the five institutions in our sample, namely each university's earned recognition as a national and global power within higher education. There is wide discrepancy, however, with how the five institutions treat intercollegiate athletics on their respective campuses. Table 4.2 demonstrates that there is more than $104 million that separates the money that Stanford spends on its varsity athletics program ($109,668.805) and the resources that Emory allocates for its intercollegiate athletics program ($5,367,872). This difference does not come as a surprise, but it is helpful for providing context for other conclusions that were reached as a result of the interviews conducted for the study.

First, there does not seem to be any merit to the argument, or any support for it from the interviewees, that academic reputation is correlated to athletics success. Representatives from Stanford and Duke both discussed the importance of intercollegiate athletics on the culture of their institutions, and on its role as a "front door" for the universities, but not a single person insinuated academic success was tied to the level of intercollegiate athletics sponsored, or the type of success the institution has on the playing fields. Frankly, the universities are turning away thousands of qualified students through their competitive admissions processes and if intercollegiate athletics went away tomorrow, they could still fill their classes with brilliant students many times over. The case for intercollegiate athletics at the highest of Division I levels (Duke, Stanford) seems predicated on the cultural impact it has, and the stories it allows the institution to tell.

Second, an institution like Georgetown must be extremely thoughtful about how it spends its money on intercollegiate athletics. Although it spends more than $33 million on varsity sports, Georgetown cannot afford much more without compromising other priorities. It is worth

it for Georgetown to invest heavily in certain programs, but the institution seems much more aligned with the Ivy League (Yale) and Division III (Emory) philosophies of providing as many opportunities as it can afford as part of the educational experience.

That is not to say that the same philosophy is not shared by Duke and Stanford. The difference is that Duke and Stanford can try and win national championships in every sport and Georgetown simply cannot fund its entire program at that level. And while Georgetown could cut 10 sports and reallocate the money to become a national power in more sports, that seems to run counter to the educational philosophy shared by the senior administration.

There was also significantly less tension described by the interviewees regarding faculty perception of intercollegiate athletics on campus than I expected. Given the resources spent on these programs, and the recognition that dollars are often hard to come by for many academic-related initiatives, I anticipated that I would learn that there was at least a gentle tension on campus regarding intercollegiate athletics. To the contrary, the atmosphere described seemed to be one of respect for the diversity intercollegiate athletics brings to campus and the impact it has on the environment. I am not sure if the lack of tension described has to do with the academically elite nature of these universities. It would be interesting to see how faculty members perceive athletics at other classes of institutions.

There also may be a lack of tension because the institutions are playing at levels that they can afford, and perhaps that is something the faculty understands and appreciate. In the case of Duke and Stanford, they have large endowments and they spend a lot of money on intercollegiate athletics. But what they spend is proportional, and as Table 4.3 demonstrates, Georgetown spends a larger percentage of institutional resources on intercollegiate athletics than Duke does. Georgetown's percentage is a smaller dollar value, however, and it would be difficult for the

university to compete at as a high a level as Duke does across its program. If Georgetown tried to invest even more money in intercollegiate athletics to make that competitive push, it would seem likely that tension could develop.

Finally, there seemed to be a sense from each of the five institutions that intercollegiate athletics offers meaningful opportunities for students outside the classroom, and that similar opportunities for leadership, teamwork and communication ought to be available in other student activities as well. I did not get a sense that the pursuit of championships, or the next television contract, was driving the intercollegiate athletics show on any campus, and while there were differences in philosophy, there were also similarities in the perception of impact.

6.1.6 Concern About Access and Affordability

I interviewed leaders from some of the most highly-regarded and well-resourced universities in the United States, as well as the world. As discussed in Section 5.1.1, the senior administrators all expressed significant concern regarding the state of higher education, and its accessibility to the masses, especially those from lower socioeconomic statuses. I was not surprised to learn of the concern global leaders in higher education had regarding the affordability and accessibility of colleges and universities, but I did not expect for it be as big of an issue for focus on the respective campus.

Duke President Brodhead discussed the relationship between the university and the primary and secondary schools in Durham and throughout North Carolina. While Duke enrolls talented and qualified students throughout its academic program, there is still a focus on trying to positively impact the social issues associated with access. As President Brodhead (2015) shared:

161

We try and partner as actively as we can with the city on issues of early childhood education. North Carolina has been cutting back on these very things. It's only this year had its first raise for teachers in four years. So what's the solution there? The solution is not anything a university by itself can do. It really has to do with training citizens such that wherever they live they'll understand that it's an investment with good returns that you're a fool not to make…So finding the means to live up to the actual promise of open access and affordability – I think that's the most important challenge for every institution.

Access and affordability is an issue that the elite and well-resourced private universities in this cohort consider often. It is one of the reasons that Stanford put more resources behind its financial aid program, as discussed in Section 5.7.1.1. Stanford utilized a significant portion of its available central resources to positively impact access and affordability – the university's statement is clear in that it wants its education to be more accessible to those who have the talent to enroll. Financial aid is a strategic focus for the university, and supports the notion that the universities in our cohort are concerned with the accessibility of their institutions.

Yale, which is one of the wealthiest universities in the world, also acknowledged that access and affordability was an issue that impacted the institution. Vice President n Murphy (2015) said:

> The affordability of higher education affects us, even though we have relative to most universities, very generous financial aid packages, and our students graduate, relatively speaking, with low levels of debt that have been declining…So the cost of higher education and student loan debt, even though the latter is certainly not really something that is an issue for our students, that's still an important piece of institutional context.

Despite the available resources to positively impact financial aid, and the fact that the institutions in this cohort can afford to meet full need, the national issue of access and affordability is still a significant one that senior administrators are dealing with on these campuses.

6.1.7   Pressure on Fundraisers

I spoke with three senior advancement officers in this study, and there is no doubt that their operations are under a lot of pressure to bring in resources for the university to use to achieve its aims. The most surprising finding from the conversations, however, was just how significantly the fundraising arm of the university has to understand the strategic priorities of the institution, and how advancement goals must align with that strategy.

> That intentionality was something one of the vice presidents addressed in our interview:

> I think the feeling is we need to be more deliberate, more strategic, about how we really set those priorities, because if we're trying to say to people, these are the big things that are going to move us forward, and if we have to just look at a finite group of resources, which we don't, but if you're not sure where you're going to find the new and incremental resources, then you want to make sure that you somehow message those things that you really most want to do.

> Donors want to support something they perceive will move the university forward, which

presents a challenge for fundraisers. As another vice president shared:

> Donors, particularly the biggest donors, don't want to fund your current or anticipated operating deficit. They want to fund new and incremental things. They want to fund more, better, faster, longer, higher, farther. They're not interested in subsidizing the existing budget. The philanthropic piece of the strategic puzzle is only going to go so far, and I think it's natural the correct role to anticipate for philanthropy is to bear a disproportionate share of the future growth ambition or burden, but it cannot be looked at to replace the kind of base revenue that tuition provided for the better part of the last 40 years. Frankly I think institutions need to make much better decisions about the trend lines for their current spending.

> In Section 5.1.1, we discussed some of the capital campaigns that institutions in the

cohorts were currently engaged in. Those campaigns are aligned with the defined strategic goals of the institution. One president shared that he would much prefer to have a strategic plan aligned with a capital campaign than as a guiding document for institutional work. It is clear that university advancement operations are charged with bringing in revenue for those defined goals,

but that does not mean that the they have the ability to raise infinite resources to impact growing expenses with already existing programs on campus.

6.2   AREAS FOR FUTURE RESEARCH

The information gleaned from leaders in American higher education through this study was significant. This particular research aimed to learn about a select cohort of institutions, namely, five of the best-resourced private research universities in the country. It was a meaningful sample, and a great deal was revealed through the conversations, but as is often the case with research, there were a number of avenues revealed for future exploration.

As discussed in Chapter 2, there are more than 7,000 postsecondary education institutions in the United States. This study focused on five institutions that represent perhaps the most select, and smallest, cohort in that group of 7,000. The challenges facing the five universities in this study are real, but they are not necessarily indicative of the challenges that face public research universities, liberal arts colleges, enrollment-driven institutions, community colleges and technical institutes.

The purpose of this research was narrowly defined, but it provides a lens to research that can be done to further understand how other American higher education institutions conduct their business. While the reduction of government support for research may impact private and public Research 1 institutions, that is likely not a challenge for liberal arts colleges and community colleges in quite the same way. Likewise, private universities may not be as dependent on government resources to run their operations as public institutions will be.

One of my hopes with this study was that it would provide a model for future research to be done within other areas of higher education. It would seem likely that the same research questions focused on challenges facing the sector, prioritization of non-academic activities and programs, and the allocation of resources for strategic initiatives and decision-making, are relevant for all sectors of academe. The outcomes will undoubtedly be different, but future research in this area could be critical to understanding how senior leaders from a wide breadth of colleges and universities run their institutions, and what they see as the challenges and opportunities facing their particular sector.

It would be interesting to juxtapose the results from the various sectors and develop a deep understanding of the totality of American higher education, directly from the individuals responsible for running the institution. The qualitative interview approach provides a first-account lens into the business of running colleges and universities, and given the wide range of institutions that composes American higher education, there is a great deal of potential for future research in this area.

Additionally, this research was predicated on understanding the lens that institutional leaders have on strategic decision-making and resource allocation. The study intentionally focuses on this group of individuals, but there would be value in interviewing other cohorts from the institution to see if perspectives are shared and aligned with leadership. What does the faculty think about challenges they face and the allocation of resources? How do students feel about the emphasis on learning inside the classroom and support for activities outside of it? What can be learned by speaking with mid-level staff members regarding their understanding of the institutional mission and strategy? Utilizing the same qualitative interview approach, with the

same research questions, but expanding the study to include various positional and stakeholder perspectives would also be of significant interest for future research.

6.3   LIMITATIONS

The qualitative interview methodology proved to be extremely valuable in connecting with the desired cohort of individuals for this research. I was able to spend approximately 45 minutes to an hour per interview speaking with some of the leaders of American higher education. The outcomes of the conversations may have been different had they occurred in-person as opposed to via phone, but the likelihood of connecting with four or five senior leaders for that amount of time on the same day would have been quite a challenge. Additionally, it is important to note that 22 interviews across five institutions is an inherently limited sample size. Therefore, it is important to avoid generalizing for the entire sector of higher education based on the relatively small sample.

Scheduling the interviews was difficult, and ended up as a limitation of the study. Ideally, speaking with senior leaders from the same institution in close proximity to one another would have allowed for deeper exploration of themes through the conversations. Because of the challenging schedules of the interviewees, it took long periods of time to conduct the conversations with all of the subjects and often, interviews with administrators from the same institution were weeks apart. The discussions may have been richer had the schedule provided for interviews to take place one institution at a time, and within a short timeframe.

Another limitation was that I was unable to interview individuals in the same position at all institutions. As an example, I had the opportunity to speak with two provosts, but given that

individual's role as chief academic officer, it would have been meaningful to speak with the provosts of all five institutions. I did have the chance to speak with all five presidents, and that provided an opportunity for juxtaposition and comparative analysis of their varying perspectives. Unfortunately, not all senior leaders accepted the invitation to participate in the study, and this provided a limiting viewpoint based on the lens.

Finally, the subjects' recognition that their remarks would likely be identifiable in the finished study almost certainly had an impact on their openness. In two or three of the interviews, subjects went "off-the-record" and some of those comments were the most insightful. In designing the study, I had to weigh the benefits of associating comments with particular individuals and universities, and ultimately decided that was the best way to proceed. I do think, however, that some of the conversations may have been impacted by the realization that attribution to comments could occur.

6.4   SUMMARY

This study utilized a qualitative interview approach to connect with presidents and senior administrators from five elite private research universities in the United States. In the interviews, I asked a series of questions to help understand the senior leader perspective on a number of areas facing this sector of higher education, specifically the alignment of strategic planning and resource allocation in the institutional setting.

In this dissertation, we discussed the challenges facing this sector of higher education, as well as the perspective on strategic planning each institution utilizes. We addressed the alignment between strategy and finances, and shared examples of how that planning comes to

fruition on campus. We shared the forums for communication and demonstrated how philosophies of decentralization characterize the complex institutions we studied. Finally, the interview subjects discussed the importance of non-academic activities and services on campus, as well as the role of intercollegiate athletics at the institutions. Throughout, we studied how resources align with the decisions institutions make each and every day.

In this final chapter, I provide analysis on the findings shared in Chapter 5 with regard to the research questions that served as the impetus for this study. I discuss the limitations found within the study and make recommendations for future research that could help us understand how other sectors of higher education – public universities, liberal arts colleges, community colleges – align strategy and resources. Through the words and stories of the 22 subjects interviewed for this study, we have hopefully added to the literature in a meaningful way regarding the perspectives senior leaders have regarding this area of research within higher education.

APPENDIX A

PARTICIPANT INTERVIEW SCRIPT

Thank you for agreeing to take time out of your schedule to speak with me today. I shared my personal and professional background in the introductory e-mail, and I am grateful for this opportunity to discuss such an important topic within higher education.

The purpose of this study is to hear directly from senior leaders at a cohort of the country's top private universities regarding strategic decision-making and resource allocation. I will be interviewing a number of senior administrators from your institution, as well as others within this peer set, and the ambition is to understand how these universities run. As you and your colleagues are the key individuals setting direction for your respective institutions, this research is focused on understanding trends and patterns that will aid efficiency as priorities are considered and developed.

Responses will likely be identifiable to those reviewing the results of the research, but we can go "off-record" at any time, and I would be glad to send along the transcript for review afterwards.

Do you have any questions before we get started?

1. Describe your institutional context relative to major challenges facing your sector of higher education.

2. Comment on the alignment between strategic plans and annual operating plans on the one hand and multi-year financial plans and operating budgets on the other.

3. How do the institutional mission and multi-year enduring goals serve as a basis for setting annual priorities, performance objectives, and making resource allocation decisions? Describe the forums for communication at the senior administrative level, and processes used for making decisions at the institutional level.

4. How do you perceive your role and responsibilities in agreeing upon and implementing strategic and tactical objectives?

5. Within your institutional context, how do you describe the relative importance of non-academic student services in general, and athletics and recreational activities in particular? Are resource allocation decisions for those functions aligned with those perceptions?

6. Other comments?

APPENDIX B

INSTITUTIONAL REVIEW BOARD APPROVAL

Figure 1: Institutional Review Board Approval

University of Pittsburgh
Institutional Review Board

<u>Memorandum</u>

To: Josh Centor

From: IRB Office

Date: 8/17/2015

IRB#:   PRO15060478

Subject: Higher Education Management - Senior Leadership Approach to Resource Allocation and Decision-Making

The above-referenced project has been reviewed by the Institutional Review Board. Based on the information provided, this project meets all the necessary criteria for an exemption, and is hereby designated as "exempt" under section 45 CFR 46.101(b)(2)

Please note the following information:

- Investigators should consult with the IRB whenever questions arise about whether planned changes to an exempt study might alter the exempt status. Use the "**Send Comments to IRB Staff**" link displayed on study workspace to request a review to ensure it continues to meet the exempt category.

- It is important to close your study when finished by using the "**Study Completed**" link displayed on the study workspace.

- Exempt studies will be archived after 3 years unless you choose to extend the study. If your study is archived, you can continue conducting research activities as the IRB has made the determination that your project met one of the required exempt categories. The only caveat is that no changes can be made to the application. If a change is needed, you will need to submit a NEW Exempt application.

Please be advised that your research study may be audited periodically by the University of Pittsburgh Research Conduct and Compliance Office.
Expiration Date: 12/31/2500

APPENDIX C

PARTICIPANT RECRUITMENT TEXT

Dear (Respondent),

My name is Josh Centor and I am a PhD candidate in higher education management at the University of Pittsburgh. I received my undergraduate degree in economics with a minor in international business at Brandeis University and my master's degree in applied communications at Indiana University. Professionally, I am the Director of Athletics, Physical Education and Recreation at Carnegie Mellon University.

Last spring, I conducted survey research that connected me with presidents and chancellors, provosts, CFOs, vice presidents and deans at 30 highly-select, private institutions of higher education. The data received was rich and helped me understand the rationale utilized by senior leaders at these colleges and universities regarding the value placed on both academic and non-academic programs and activities. Your institution was part of the cohort that participated in the survey research.

As a follow-up to that survey, I will be conducting interviews with leaders from a subset of those elite institutions to further understand how senior administrators work together and make strategic decisions that run their institutions. I will conduct interviews with at least three senior leaders at each institution to further understand this subject area, and add to the literature in a way that I hope will ultimately help higher education institutions operate.

I am writing to request your commitment for an interview, which will take approximately 45-60 minutes. The interview will ask about demographic information (e.g., gender, age, educational background, professional background), as well as about your views on resource allocation at your institution, the role of strategic planning and the process for institutional decision-making. Participation in this study is voluntary, and participants may withdraw from the study at any time. Responses will likely be identifiable to those reviewing the results of the research. This study has been reviewed and I have received permission to conduct it from the University of Pittsburgh Institutional Review Board.

I am grateful for your consideration of participating in this research and appreciate your time. If you have any questions, please contact me via phone or e-mail.

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