

APPROACHES TO EXECUTIVE DECISION-MAKING AT PUBLIC INSTITUTIONS  
EXPERIENCING FINANCIAL INSTABILITY IN TEXAS

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A Dissertation

Presented to

The Faculty of the Department of Educational Leadership

Sam Houston State University

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In Partial Fulfillment

of the Requirements for the Degree of

Doctor of Education

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by

Max L. Walling

August, 2021

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## **DEDICATION**

This one's for me.

## ABSTRACT

Walling, Max L., *Approaches to executive decision-making at public institutions experiencing financial instability in Texas*. Doctor of Education (Educational Leadership), August, 2021, Sam Houston State University, Huntsville, Texas.

Higher education institutions of all types are experiencing increased challenges related to acquiring financial resources to support educational initiatives. Executive leaders, particularly during periods of instability and crisis, are required to make decisions related to highly complex challenges that have the potential to influence the long-term sustainability and viability of the institution they serve. Based on historical data, existing challenges, the operational and financial disruptions created by the COVID-19 global pandemic, and projections of enrollment shortfalls beginning in 2025, institutional leaders will be required to navigate increasingly complex environments and make difficult choices amidst a collection of less-than-ideal options. The purpose of this study was to explore, through a qualitative phenomenological design, the decision-making processes of executive-level administrators (i.e., presidents, chief financial officers, chief academic officers) during periods of institutional financial instability in the state of Texas. Data was collected through individual interviews with 13 participants from public, 4-year institutions in Texas.

Five themes emerged from the data, highlighting the influence of ecological systems, organizational complexity, consensus building, institutional mission, and market factors on executive's decision-making processes. In order to better navigate periods of complex financial instability and improve decision quality, leaders are encouraged to enhance their awareness and management of environmental influences, purposefully manage relationships with key internal and external institutional stakeholders, develop

reliable methods of quantitative and qualitative information gathering, increase the number of stakeholders involved in decision-making, solidify their institution's resource allocation strategy, build buy in and consensus around assessment metrics, and unambiguously align institutional initiatives with the mission.

**KEY WORDS:** Decision-making; Ecological systems; Organizational complexity; Crisis, Financial exigency; Instability; Higher education finance; Neoliberalism; Four frame model; Higher education; Post-secondary education; Resource allocation; Economic crisis; COVID-19; Executive Leadership; Shared governance; Shared decision-making; Public colleges and universities; University mission;

## ACKNOWLEDGEMENTS

It is said that it takes a village. Throughout this process I have had the support of so many individuals who have both encouraged me and pushed me forward towards completion. There are many people to thank for my successful completion of this journey.

There are not words to express my gratitude to my dissertation chair, Dr. Peggy Holzweiss. Your involvement in my personal growth since my first year of coursework has benefitted me as a scholar, professional, and human being. It is unlikely that I will ever be able to pay you back, so I will instead pay the impact you have had on me forward to others. Thank you. I would also like to thank other academic leaders who have supported me on this journey, most notably Dr. Stacey Edmondson and Dr. Meredith Billings for the expertise they provided on my dissertation committee, and to Dr. Matthew Fuller and Dr. Paul Eaton, for the support, patience, and compassion they showed me when my life unexpectedly fell apart during the spring of 2019 and I doubted my ability to finish this program. Thank you.

I would not be here without my friends. To Dr. K.T Oltman and Dr. Tony Evans, for your insights as I was preparing to start my doctorate, and for your support and friendship throughout, thank you. To my friends in #TeamAwesome, Dr. Kathleen Gilbert, Dr. Matthew Olmstead, and Dr. Dana Van de Walker, it has been my pleasure to experience this chapter of life with you. That we are forever connected as co-authors bring me great joy. To Dr. Rachel Valle, honorary member of my dissertation committee, your support, insight, generosity, friendship, and critical editing eye are valued beyond words. Thank you.

To Erron Reynolds, thank you for seeing in me something I did not yet see in myself. Although you are gone, I know you would be proud.

To Dr. Lindsay Clark, thank you for helping me find my way back to myself when I was well and truly lost. You will forever have my gratitude for coming into my life when you did. Thank you.

To Matthew and Holly Moore, there are not words. You have made me feel like I am a part of your family. You have shown me patience, compassion, love, and support in uncountable ways. You helped get me through hard days. You provided me a place to live. You physically rescued me from at least one flood and one freeze. You have helped me more times than I can count. You always ensured this poor college student had a full belly and a place to do laundry. You have done so much and never asked for a penny, or a favor, in return. You are family, and I hope I can one day be to someone else what your family has been for me. Thank you.

There are others. Friends, family, colleagues, and strangers who have supported with patiently listening or a word of encouragement. A journey like this can drain and isolate you. I am grateful to have so many of you in my life to reenergize me and give me a place to belong outside of the classroom and dissertation. You all have my gratitude.

Last, but not least, I want to thank my parents. Over the last four years I have felt nothing but unconditional support and love from you both. Mom, not once during this journey did you ever remotely convey that you didn't think I could finish, even when life had knocked me down. Your steadfast belief in me helped me believe in myself. Dad, I tear up every time you tell me you're proud of me. I pursued this degree for me, but it's also for you. Love.

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## CHAPTER I

### Introduction

For decades states have provided substantial funding for public higher education, but an evolving and increasingly complex set of public policy realities and priorities has seen many public institutions of higher education being allocated less funds in their recurring appropriations cycles (Green, 2018; Mortenson, 2012). A report from the National Center for Education Statistics noted that during the 2016-2017 academic year operational costs for United States' public institutions were approximately \$372 billion (Brendan & Taylor, 2020). Overall state funding for public institutions dropped almost \$10 billion between 2008 and 2017, with 44 states spending an average of 16% less per student in under a decade (Mitchell et al., 2016, 2017). While concerns about the sustainability of the existing funding model for public higher education have existed for some time (Barr & McClellan, 2018; *The Chronicle of Higher Education*, 2019a; Delaney & Doyle, 2011; Fernandes & Chagas-Lopes, 2016; Goldstein, 2012; McFarland et al., 2018; Zhang, 2009), institution-threatening circumstances of financial crisis, exigency, or closure have largely been limited to small, private, liberal arts colleges (Green, 2018; Land & Thompson, 2018). Examples include institutions such as Antioch College (Carlson, 2007), Fisk University (Reginald, 2012), and Concordia University at Portland (Leckrone, 2020).

The trending decline of higher education fiscal support has brought many fears related to financial crisis, exigency, and closure onto the doorsteps of public institutions. Concerns related to institutional debt indicators, enrollment stagnation, demographic changes, increased competition for limited state funds, a transition in the perception of

college debt among Generation Z students and their parents, and an increase in unfunded federal mandates are just some of the issues frequently discussed in literature and media as stretching the public funding model for higher education towards its breaking point (Barr & McClellan, 2018; Brendan & Taylor, 2020; *The Chronicle of Higher Education*, 2019b; Delaney & Doyle, 2011; Goldstein, 2012; Mitchell et al., 2017; Seemiller & Grace, 2016; Selingo, 2018; U. S. Department of Education, 2018).

One example of these concerns creating substantial hardship involves the University of Alaska, whose regents voted to declare financial exigency in order to rapidly downsize (Mangan, 2019a, 2019b). The vote came after the institution received a 41% decrease in annual state appropriations for the 2019-2020 academic year (Mangan, 2019a, 2019b). The downsize included closing programs, consolidating the system's 13 campuses, and laying off tenured faculty (Mangan, 2019a, 2019b). Following the declaration, a contentious pursuit for alternative solutions led to a reduction in budget cuts from \$135 million to \$70 million over a three-year period (Mangan, 2019c). Although the agreement initially prevented the worst outcomes from being realized and led the regents to reverse the exigency declaration, the University of Alaska continued to pursue a system-wide reorganization and consolidation of programs and campuses, did not renew many adjunct instructor contracts, implemented hiring and travel freezes, and has had to respond to multiple inquiries of concern from their system accreditor. Despite the funding agreement, one member of the Board of Regents noted a future exigency declaration may be needed to save the institution (Mangan, 2019c, 2019d).

These financial hardships, and the often-difficult decisions that stem from them, are increasing in frequency. Between 2008 and 2016, more than 300 colleges closed

(Schwartz, 2020) and from 2016 to February 2020, ninety-four institutions have closed, merged, or consolidated (Education Dive, 2020; Tobenkin, 2020). Although many of these institutions were small, private, liberal arts colleges, in recent years an increasing number of affected schools are public institutions. Institutions in all regions of the United States have been affected, with the most cases of closure, merger, or consolidation taking place in the northeast and northern Midwest regions. A 2019 study examining the market stressors affecting more than 2,300 institutions concluded that approximately 10% were likely to close or merge, and another 30% would struggle financially to the point of having to consider closure or merger (Tobenkin, 2020; Zemsky et al., 2020)

Although several of the concerns related to the financing of public higher education institutions have been prominent in the media and academic literature for many years, the arrival of the global pandemic caused by severe acute respiratory syndrome, coronavirus 2 (COVID-19), elevated these financial concerns for institutions of all types across the field of higher education. The number and scope of financial hardships posed by the COVID-19 global pandemic is difficult to understate. Funding shortfalls in the tens and hundreds of millions of dollars have been widely reported (Maloney et al., 2020). Approximately 70% of surveyed leaders at nonprofit institutions of all types disclosed initial total revenue shortfalls exceeding 10% for the 2020-2021 academic year (Friga, 2020a). Institutional leaders responded with wide-ranging actions to cover these losses including cutting costs, emergency fundraising, staff and faculty furloughs and hiring freezes, reducing or eliminating a number of employee benefits and services (i.e., merit raises, professional development, travel, office supply budgets, retirement matching programs), delaying non-essential capital projects, salary reductions, and even layoffs or

non-renewal of adjunct faculty contracts (Bodin, 2020; Bradford, 2020; Flaherty, 2020; Friga, 2020a; Most, 2020; Weiner, 2020).

Of particular concern to public institutional leaders is the double impact of anticipated state appropriations reductions and reduced enrollment as state governments fiscally prioritize healthcare funding while students weigh a variety of options related to the various options of instruction delivery (i.e., face-to-face, online, hybrid), and various safety and instructional quality variables (Jaschik, 2020a; Maloney et al., 2020). One early projection based on multiple student survey data reported a potential 20% drop in enrollment for the fall 2020 semester as students and parents' expressed concerns about safety, the quality of online instruction, and paying full tuition and fee amounts amidst the closure of many institutional services and amenities (Art & Science Group, 2020; Jaschik, 2020a; SimpsonScarborough, 2020). Another enrollment projection estimated a potential loss of \$19 billion in lost tuition and fee revenue in the 2020-2021 fiscal year alone (Kim et al., 2020). At the state level, an analysis by the Urban Institute's State and Local Finance Initiative projected a potential 2020-2021 state revenue shortfall of \$200 billion (Dadayan, 2020). Between March and May of 2020, states averaged a 29% decrease in revenue, with only three reporting increases in revenue during that time period (NPR Staff, 2020), lending credibility to institutional leader's concerns about future appropriations allotments.

In addition to concerns about future enrollment and appropriations, several universities experienced pressure to refund a percentage of spring and fall 2020 tuition and fees, especially those related to housing, meals, and on-campus amenities (e.g., recreation facility access, sporting event admission) (Bauer-Wolf, 2020b). As of this

writing, 231 class action lawsuits have been filed by students seeking tuition and fee refunds (Anderson, 2020; Bauer-Wolf, 2020a; Williams-June, 2020), while other institutions have experienced student activism through protests and refusal to pay off their account balances (Cherney, 2020; Koenig, 2020). For fall 2020, some institutions proactively refunded money or reduced tuition and fees due to online instruction and unavailability of some on-campus amenities (Bauer-Wolf, 2020b; Burke, 2020; Schonfeld, 2020).

There is a general impression that during periods of financial and enrollment hardship, the institutions best suited to weather the storm are those that are highly selective, state flagships, or those that have an established and valued brand (*The Chronicle of Higher Education*, 2019b). Through the initial months of the COVID-19 global pandemic, this has not been the case. Michigan State University, an established flagship institution with a nationally recognized brand, reported an initial financial impact of \$60 million and projected to lose an additional \$150-300 million during the 2020-2021 academic year (Marowski, 2020; Michigan State University, 2020). President Mark S. Schlissel of the University of Michigan sent communication to students, staff, and faculty announcing an anticipated \$400 million to \$1 billion loss through the end of the 2020 calendar year (Schlissel, 2020). In an email to the University of Arizona faculty and staff, President Robert C. Robbins projected more than \$250 million financial loss through June 2021 in addition to double-digit projected drop in enrollment from out of state and international students (The University of Arizona, 2020). At the start of the fall 2020 term, the Texas A&M University system reported a \$150 million revenue loss since the COVID-19 outbreak began in addition to almost \$69 million in additional expenditures

related to remote education, enhanced cleaning, virus testing, and other pandemic-related measures (Wiley, 2020). These challenges are evident beyond public 4-year institutions. Baylor University announced budget cuts of up to \$80 million (Tatum, 2020) and the Lone Star College System, one of the largest community college systems in the country, has reported anticipated financial losses ranging up to \$30 million and a double-digit percentage drop in summer 2020 enrollment (Swinnerton, 2020). Harvard University, who moved to online-only instruction in July of 2020, reported that 20% of their undergraduate students did not intend to enroll in the fall 2020 semester (Bikaless & Chen, 2020)). Additionally, Harvard University saw the number of students defer their freshmen acceptance increase by a factor of three when compared to fall 2019 data.

Although the overall effect of COVID-19 on institutions of higher education will remain unknown for years to come, initial reports indicate it has, and will continue to have, an influence in how institutions recruit students (Education Advisory Board, 2020; Jaschik, 2020b), establish annual budgets (Carlson, 2020; Winslow, 2020), implement instruction (Jones Lang LaSalle, 2020), and build community on campus (Denny, 2020; Jones Lang LaSalle, 2020; Saeed, 2020; Venkataramanan, 2020). According to Barr and McClellan (2018), higher education institutions of all types experience profound challenges related to acquiring financial resources to support educational initiatives. The emergence of the COVID-19 global pandemic has expedited many of those changes and exacerbated many of the existing challenges faced by higher education into existence-level threats.



## Statement of the Problem

Based on the aforementioned data and research conducted after the 2008 Great Recession, it is plausible to expect the financial challenges and ramifications associated with the COVID-19 global pandemic will last several years after the initial threat has passed (Berg-Cross & Green, 2010; Brint et al., 2016; Galambos, 2009; Verstegen, 2013). Another systemic financial hardship on the horizon for higher education is the projected decrease in high school graduates between years 2025 and 2030 (*The Chronicle of Higher Education*, 2019b). This *birth dearth* is a result of the lower birthrate that occurred during the 2008 Great Recession and accounts for a 9% decrease in traditionally aged college students nationwide.

These data present a troubling reality for the future of higher education, which now stands at the precipice of a decade-long fiscal and enrollment shortfall (*The Chronicle of Higher Education*, 2019b). Institutional leaders over the next decade will be forced to make difficult choices amidst a collection of less-than-ideal options (*The Chronicle of Higher Education*, 2019a; Friga, 2020b; Nadworny, 2020). National projections indicate that no institution will be spared, and for some institutions the coming enrollment shortfall will be an existential threat that will lead to consolidation or closure (Nadworny, 2020). Although the COVID-19 global pandemic provides some quantitative insight into the financial challenges to come, as well as provides examples of what decisions are being made to address those challenges, there is a gap in the research examining how those decisions are made in complex organizational environments that are accountable to students, staff, faculty, and a multitude of local, regional, state, and federal stakeholders.

## **Purpose of the Study**

The purpose of this dissertation is to explore the decision-making processes of executive-level administrators during periods of institutional financial instability in the state of Texas. Executive leaders, particularly during periods of crisis, are required to make decisions related to highly complex challenges that have the potential to influence the long-term sustainability and viability of the organization, institution, or constituency they serve (Bakker et al., 2019; March, 1994). Considering the financial challenges currently facing higher education public 4-year universities, I will consider how decision-making individuals navigate these challenges in complex, multi-faceted environments.

A qualitative phenomenological approach will be utilized to examine the decision-making processes of executive-level administrators as their 4-year public institution experiences financial instability. Based on the concept of shared governance in higher education provided by Eckel (2000), I will invite executive-level administrators with decision-making and decision-influencing authority, such as university presidents, members of the president's leadership team (e.g., chief academic officer, divisional leaders, chief of staff), and members of the university senate, to be interviewed. Additionally, document analysis will be used to provide context on institutional financial realities and provide context for decision-making processes, outcomes, and communication strategies related to the institutional financial instability. These data will be used to analyze how executive-level administrators make decisions and allocate resources during periods of institutional financial instability.

## **Research Questions**

In this study, I will seek understanding of how institutional leaders gather information, prioritize outcomes, utilize stakeholders, and ultimately make decisions by answering the following research questions:

1. How do executive-level administrators at 4-year public institutions make decisions during periods of institutional financial instability in Texas?
2. How do the decision-making processes of executive-level administrators at 4-year public institutions during periods of institutional financial instability differ from decision-making processes during periods of institutional financial stability in Texas?

Bolman and Deal's (2017) four frame model will be used as the analytical framework for this study, with an emphasis on how decision-makers allocate financial resources, collect and interpret data, and identify, utilize, and prioritize institutional stakeholders in the decision-making process.

## **Significance of the Study**

Institutions of higher education provide several critical benefits to the country. In addition to educating over 20 million students annually and serving as a primary training pipeline to various professional fields, institutions employ more than 4 million people and provide a high number of economic enhancement benefits locally, regionally, and to the national Gross Domestic Product (Schanzenbach et al., 2017; Snyder et al., 2016, 2018; Valero & Reenen, 2019). There are predictions that over the next 10-15 years, 50% of institutions in the United States could close due to bankruptcy (Lederman, 2017). Such a reality would wreak havoc, not only across higher education, but also across countless

environments around the globe who rely on it to support their communities, educate their children, train professionals, and contribute to the economy.

In many ways, the changing financial reality of higher education over the last several decades has already begun changing the landscape of the field and threatening the contribution public institutions make in their communities (Berg-Cross & Green, 2010; Brint et al., 2016; Galambos, 2009; Goldstein, 2012; McFarland et al., 2018; Mitchell et al., 2017; Selingo, 2018; U. S. Department of Education, 2018; Verstegen, 2013). Mitchell et al. (2016, 2017) noted that state funding for two- and four- year institutions, when adjusted for inflation, was almost \$10 billion less in 2016 when compared to 2008 levels. These cuts, which largely stemmed from economic conditions, changing tax structures, and competing budgetary priorities (Jor'dan, 2018), have led to tuition increases, diminished academic opportunities and services, staff reductions, and reduced accessibility for many low-income and historically marginalized populations (Mitchell et al., 2016, 2017).

Since the 2007-2008 academic year, the national average for tuition at public 4-year institutions increased by 35%, with 21 states reporting tuition increases of greater than 40% at 4-year institutions. Between 2008 and 2018, forty-one states spent less per student annually, a national average reduction of approximately 13% after adjusting for inflation (Mitchell et al., 2016, 2017; Mitchell et al., 2019). This changing financial landscape, coupled with the emerging reality that institutions of higher education must defend itself from continuous, widespread scrutiny, has caused many public institutions to experience a destabilization in their standard business practices (Goldstein, 2012; Jor'dan, 2018), reconsider the roles and responsibilities of their senior leaders (*The*

*Chronicle of Higher Education*, 2019a; Green, 2018), and contend with the possibility their survival may be in jeopardy (Goldstein, 2012).

Through this research, I will contribute to decision-making best practices among executive-level administrators related to managing financial instability by identifying viable, or ruling out non-viable, approaches to addressing the upcoming decade of expanded financial challenges facing public 4-year institutions. Given existing research related to the future of institutional closures, mergers, and consolidations (e.g., *The Chronicle of Higher Education*, 2019b; Lederman, 2017; Tobenkin, 2020; Zemsky et al., 2020), as well as how executive-level administrators respond to these challenges will have immense consequences on college availability and accessibility, training for professional careers, and the economic wellbeing of the communities where these institutions exist (e.g., Berg-Cross & Green, 2010; Galambos, 2009; Goldstein, 2012; Selingo, 2018).

### **Conceptual Framework**

Hampden-Turner (1992) argued that the events and facts cannot organized or made sense of without utilizing a mental model for examination. Bolman and Deal's (2017) four frame model will serve as the mental model and overarching framework for this qualitative study. Bolman and Deal (2017) defined a frame as "...a set of ideas and assumptions that you carry in your head to help you understand and negotiate a particularly 'territory'" (p. 12). In the context of this dissertation, frames are considered vital because complex organizations do not come with an established map of influences and power structures that easily explain organizational behavior or decision-making. According to Bolman and Deal (2017), development of such maps through a focused

framework allow for perceptual, seemingly disconnected data to be assembled into a coherent pattern of what is happening.

The use of frame models has received increased attention as scholars (e.g., Cornelissen & Werner, 2014; Foss & Weber, 2016; Gray et al., 2015; Hahn et al., 2014; Maitlis & Christianson, 2014) and managers make sense of a complex and volatile world. The four frame model is grounded in prior research related to schema theory (Fiedler, 1982; Fiske & Dyer, 1985; Lord & Foti, 1986), cognitive maps (Weick & Bougon, 1986), paradigms (Gregory, 1983; Kuhn, 1970), social categorizations (Cronshaw, 1987), implicit theories (Brief & Downey, 1983), and mental models (Senge, 1990). Additional research has shown the potential for multiple-frame models to enhance manager effectiveness in complex environments (Bensimon, 1989; Birnbaum, 1992; Bolman & Deal, 1991, 1992a, 1992b; Heimovics et al., 1993; Jamieson et al., 2010; Kahneman, 2011; Wimpelberg, 1987). Furthermore, there is evidence suggesting multiple-frame models enhance performance (Autin & Croizet, 2012), allow for expanded comprehension (Gottschall, 2012), and help avoid organizational mindlessness that can create a gap between aspirations and results (Langer, 1989).

Bolman and Deal's (2017) four frame model views organizations within a structural frame, human resource frame, political frame, and symbolic frame. The structural frame, grounded in the work of Taylor (1911) and Weber (1947), is concerned with finding suitable roles and responsibilities for individuals that minimize conflict and dissention while maximizing job performance (Bolman & Deal, 2017). The human resource frame, originating from the work of Mayo (1933, 1945) and Follett (1941), centers on the reciprocal relationship between people and organizations (Bolman & Deal,

2017). The political frame, evolving from the work of Crozier and Friedberg (1977) and Mann (1986), portrays organizations as being highly connected to political processes that involve decision-making and resource allocation amidst divergent interests and scarce resources (Bolman & Deal, 2017). The symbolic frame incorporates the research of Mead (1928, 1935), Jung (1965), and Deal and Kennedy (1982) to explore organizational cultures and the symbols, stories, and rituals they entail (Bolman & Deal, 2017).

These four frames will be used to analyze executive leader's decision-making processes within the context of a complex institutional organization. Bolman and Deal's (2017) four frame model serves to break down highly complex organizational environments into four primary subsets, providing a framework for observation, analysis, and interpretation of decision-making during periods of financial instability. Specifically, the four frame model will allow for the relationship between executive-level administrators, their decision-making processes, and institutional structure, staffing, culture, and politics to be examined in the context of institutional financial instability.

### **Definition of Terms**

Several terms were used in this dissertation. To streamline understanding of these terms within the context of this study, their definitions are included below:

#### ***Decision-Making Processes***

Bolman and Deal (2017) based their discussion of organizational decision-making processes on the prior research of March and Simon (1958) and Cyert and March (1963). For this study, decision-making processes will be defined by the primary components highlighted by March and Simon (1958) and Cyert and March (1963), which include: (a) limited available information related to problem; (b) limited capacity to process and

analyze information obtained; (c) discernment of available and affordable decision options; (d) calculation of decision consequences; (e) balance of maximizing (i.e., best option) and satisficing (i.e., good enough option); (f) environmental influences; (g) resource scarcity (e.g., time, attention, money); (h) resolution of disagreement and conflict via power struggles, bargaining, and coalition building (Cyert & March, 1963; March & Simon, 1958). A more detailed examination of these concepts is provided in Chapter II.

### ***Executive-Level Administrators***

Eckel (2000) provided an explanation of institutional shared governance that included the board of trustees, executive-level administrators, and faculty in the decision-making and governance of an institution. For the purpose of this study, the term executive-level administrators will encompass the president, chief financial officer, and the chief academic officers (i.e., provost).

### ***Financial Instability***

The definition of financial instability in this study will be based on the research of Sayegh et al. (2004) and Batuo et al. (2018). Sayegh et al. (2004) defined a crisis as having six major characteristics: (a) high ambiguity and uncertainty, (b) low probability of occurrence, (c) an unusual or unfamiliar event, (d) requires a rapid response, (e) poses a serious threat to the organization's survival and its stakeholders, and (f) presents a dilemma requiring a decision to implement change. Batuo et al. (2018) noted that financial instability occurred when shocks to the financial system interfere with standard operating procedures, resulting in fluctuations in economic activity that may cause negative consequences.



Financial instability will be defined as a public institution of higher education experiencing a situation with the following attributes: (a) increased ambiguity and uncertainty, (b) involves an unusual or unfamiliar event, (c) disrupts standard operating procedures, (d) requires a rapid response, (e) poses a threat to the organization's survival and its stakeholders, and (f) requires a decision to implement change.

### ***Organizational Complexity***

The concept of complexity permeates the research of organizations, higher education, finance, human behavior, and decision-making (e.g., Barr & McClellan, 2018; Bolman & Deal, 2017; Bronfenbrenner, 1979; Goldstein, 2012; Hendrickson et al., 2013; March, 1994), all of which serve as foundational components of this study. I will utilize the term organizational complexity as described by Bolman and Deal (2017) to broadly include the "...bewildering array of people, departments, technologies, strategies, goals" (p. 31) and the broad, ever-changing, challenging, and erratic environmental systems in which they operate.

### ***Public Institutions***

Public institutions are defined broadly as publicly funded 4-year institutions.

### ***Resource Allocation***

This study will utilize the perspective of Goldstein (2012) when referring to resource allocation. Goldstein notes that although resource allocation can entail a broad, complex array of items, including dollars, positions, space, technology, and equipment, it is ultimately easiest to monitor and measure money. In the context of this study, resource allocation will emphasize funding decisions and allotments as part of the institutional budget process.

## **Delimitations**

To clarify the restrictions of this study, this qualitative phenomenological study will be delimited to public institutions in one state (Bloomberg & Volpe, 2008). The study will be further delimited to the perceptions and actions of executive-level administrators who played an active role in resource allocation decisions during a period of institutional financial instability.

## **Limitations**

Onwuegbuzie and Leech (2007) explained that threats to legitimation could occur at the research design, data collection, analysis, and interpretation stages of a study, limiting the trustworthiness or applicability of any findings from the study. My methodological choices necessitate acknowledging some potential limitations to this study that may take place during one of these stages. My focus will be exclusively on institutional executive-level administrators; hence, this dissertation will reflect their voices, perspectives, insights, actions, decisions, and rationales. This emphasis on executive-level administrators comes at the expense of thousands of faculty, staff, students, political and community leaders, citizens, and others, who were involved in, and affected by, the institution's financial instability and the decisions made to address it. Given the nature of my data collection, the contribution to the literature is not in the quantity (breadth) of data, but in the quality (depth) of my conversations with various institutional leaders that will allow for thick descriptions related to decision-making during financial instability (Lincoln & Guba, 1985; Ryle, 1971). Additionally, as financial instability becomes more widespread across higher education and competition amongst institutions increases (Goldstein, 2012; Green, 2018), conditions unknown to me

could exist that would cause a participant to withhold certain information or perspectives. Finally, my lived experiences as a professional staff member at a public institution affected by financial instability, as well as my inherent bias as the principle researcher for this dissertation, allow for the possibility of researcher bias to affect this study (Onwuegbuzie & Leech, 2007).

In order to limit the influence of potential limitations related to this study, I will take the following steps: (a) acknowledge and document my assumptions relevant to my study and share those assumptions with my dissertation committee prior to data collection (Bloomberg & Volpe, 2008); (b) utilize supplemental data (e.g., budgetary data, meeting notes, media, or other institutional documentation), when available, in order to triangulate and authenticate qualitative data (Lincoln & Guba, 1985); (c) employ the use of member-checking procedures after data collection has been completed in order to verify, and provide the opportunity to clarify, interviewees' responses (Lincoln & Guba, 1985); (d) utilize a field notebook to document notes, hardships, or limitations related to the study; and (e) recruit two peer debriefers to provide meaningful feedback on the initial interpretations of the findings (Jordan, 2015; Lincoln & Guba, 1985).

### **Assumptions**

I will make the following assumptions in this dissertation: (a) participants answer all interview questions in a truthful, in-depth, and candid manner; (b) inclusion criteria for the institution being studied and participants that will be interviewed are appropriate, assuring all participants have experienced making decisions related to institutional financial instability; (c) participants have a sincere interest in participating in the

research; and (d) I, as the researcher, will accurately collect and interpret data related to the research question.

### **Organization of the Study**

This qualitative phenomenological study will examine the decision-making processes of executive-level administrators as their public institutions experience financial instability. This dissertation will consist of five chapters. Chapter I provided a background for the study and includes the statement of the problem, purpose of the study, research question, significance of the study, conceptual framework, definition of terms, delimitations, limitations, and assumptions for the study. Chapter II will provide an overview of literature pertaining to the study, including an examination of neoliberalism and its influence on higher education, review of Bronfenbrenner's (1979) ecological systems theory and its application to decision-making in complex environments, decision-making in situations of crisis, an expanded examination of Bolman and Deal's (2017) four frame model, examination of the history and current state of higher education finance, and a review of critical factors related to decision-making during financial instability. Chapter III will then provide a comprehensive review of the research design and method utilized in the study, including participant information, context of the study, instruments used, interview protocol, procedures, trustworthiness, and data analysis. Chapter IV will present, analyze, and synthesize data collected through individual interviews and supplemental sources, while interpretations, implications, and future utilization of the data will be discussed in Chapter V.

## **CHAPTER II**

### **Review of Literature**

#### **Introduction**

To understand the decision-making processes of executive-level administrators during periods of financial instability, a review of existing studies was conducted. Although robust research exists on the makeup, history, and evolving state of public higher education finance during periods of hardship (Barr & McClellan, 2018; Brint et al., 2016; Delaney & Doyle, 2011; Goldstein, 2012; Larkin & Weiler, 2017; McFarland et al., 2018; Mitchell et al., 2016, 2017; Mitchell et al., 2019; Schanzenbach et al., 2017; Selingo, 2018; Toutkoushian & Paulsen, 2016; U. S. Department of Education, 2018; Valero & Reenen, 2019) and on decision-making both within and outside of the context of crises (Cyert & March, 1963; Hale et al., 2006; Harrison, 1995; March, 1994; March & Simon, 1958; Mintzberg et al., 1976; North, 1962; Simon, 1947), there is a gap in research focused on the decision-making processes of leaders in highly complex organizational structures. The majority of higher education finance research that exists is quantitative in focus, while much of the existing decision-making literature emphasizes corporate perspectives, failing to consider many of the unique realities of complex, highly political educational systems.

I focused this literature review on six areas to better understand the environments, realities, and processes executive-level administrators must navigate in order to make decisions during periods of financial instability. The first area addressed involves the impact of neoliberal policies and values that influence decision-making in higher education. The works of Busch (2017), Giroux (2004, 2014), and Kandiko (2010) will

provide information as to how neoliberalism can influence decision-making processes. The second area of literature examined Bronfenbrenner's (1979) ecological systems theory and four environmental systems and their interactions between both themselves and the individuals who operate within them. Because Bronfenbrenner's theory emphasized environmental systems and not executive-level administrators, a brief review of literature related to leadership competencies is also included. An in-depth review of Bolman and Deal's (2017) four frame model of organizations will be provided next to provide a more contextualized and simplified perspective of the complex organizational reality conveyed by Bronfenbrenner (1979). A review of decision-making literature will comprise the fourth area of focus with emphasis given to March's (1994) examination of decision-making processes. A transdisciplinary review of decision-making in turbulent environments and crisis situations will be included in this area. The fifth area reviewed the history of public higher education finance and contextualizes the current challenges facing institutions of higher education. Finally, the review of literature will conclude with a brief explanation of realities which can influence environments and individuals who are engaging the decision-making processes.

### **Criteria for Literature Selection**

A diverse set of search terms were used to locate existing research associated with the six areas of focus for this literature review including: higher education, post-secondary education, neoliberalism, organizational theory, decision-making, crisis, rationality theory, multiple actor decision-making, finance, economics, budgeting, allotment, financial exigency, state appropriations, enrollment, and resource allocation. The primary databases used for this literature search included Education Source, the

Educational Resource Information Clearinghouse, and PsycINFO. Additional searches, especially those related to decision-making and crisis response, were conducted in the Business Source Complete, ScienceDirect, Economic Literature, and Academic Search Complete databases. Finally, Google Scholar was used in order to conduct broad, transdisciplinary searches on several literature review topics.

### **Neoliberalism in Higher Education**

According to Jankowski and Provezis (2012), institutions of higher education exist and operate in a *political arena*. This political arena emphasizes accountability and market-driven data as its primary organizing principles. This emphasis on market-driven data in education is part of what has been termed neoliberalism (Giroux, 2014).

Neoliberalism is not to be defined through partisan political affiliations in the United States or elsewhere; it is instead an ideology that drives values and outcomes based on principles of the market and new institutional economics based on cost-recovery, entrepreneurialism, and accountability on a global scale (Aronowitz, 2003; Kandiko, 2010).

Literature on the various effects of neoliberal ideology on higher education institutions and classroom environments is diverse and robust (Brown, 2015; Busch, 2017; Giroux, 2014; Olssen & Peters, 2005; Preston & Aslett, 2014; Whiteley et al., 2008). Peters (2012) noted that the origins of neoliberal educational reforms can be traced back to Ronald Reagan, Margaret Thatcher, and the public policy decisions of the 1980s that emphasized globalization, free trade, and the reduction of governmental and welfare support systems. These policies, and many that built upon them in the 1990s and 2000s, began treating institutions of higher education more like other organizations, encouraging

them to change and develop an entrepreneurial and competitive policy mindset in order to ensure their survival and success in the higher education market (Allen, 2011). Since the 1980s, neoliberalism has become the leading mode of thought and operation for almost all prominent political parties in advanced democracies and has strongly contributed to the establishment of values that include quality control, quality assurance, and operational efficiency through institutions of higher learning both within the United States and internationally (Giroux, 2004; McChesney, 1999). As a part of this political, organizational, and cultural shift over the last several decades, universities have shown increased emphasis on many neoliberal values, including quality assurance, performance indicators, strategic planning, and academic audits when prioritizing institutional operations (Olssen & Peters, 2005; Raaper, 2016).

The tenets of neoliberalism have gained traction in the operational approaches of higher education institutions. Clegg and Smith (2010) argued that centralized standards related to teaching and learning are increasingly implemented institution-wide and are regulated through a set of institutional goals, strategies, assessment, and budgeting practices. The driving forces behind these practices are essentially economic (Gipps, 1999; Raaper, 2016). Under this economic rationale, students are largely seen as customers and higher education institutions as competitive service providers (Jankowski & Provezis, 2012). Sadler (2011) argued that in this dynamic there is a shift away from education as the foremost priority of the institution and instead emphasis is placed on an institution's ability to market the various services they provide and perks of attendance. This manifests in institutional operations via emphasis on recruitment communication, building of trust among current and prospective customers, prioritization of quality



assurance, and decision-making that emphasizes impact on cost, institutional reputation, and rankings. Ultimately, the goal of these values is that a public university is a revenue producing entity.

Additionally, this entrepreneurial, competitive, and individualist policy mindset can be seen in the operations of public higher education institutions via the increased implementation of institutional performance indicators, financial auditing models, the perceived value of, and increase in, accreditation practices and a variety of changes that affect classroom curriculum and instruction (Jankowski & Provezis, 2012; Meyer, 2012). It is critical to understand that among the foremost outcomes of neoliberal education is operational efficiency, a focus on outputs, and the consumerization of students so that market-driven values are both produced and legitimized (Giroux, 2004).

The neoliberal emphasis on operational efficiency and measurable outcomes establishes private-sector-like financial expectations for public higher education institutions, requiring academic and student service departments to reduce inputs and increase outputs, or do more with less, often leading to a reduction in education quality (Olssen & Peters, 2005). These expectations, and the values, desired outcomes, and financial limitations that often come with pursuing them, have led to substantial shifts in how higher education institutions are managed and operated, and can influence decision-making in countless ways (Brown, 2015; Busch, 2017; Giroux, 2004, 2014; Jankowski & Provezis, 2012; Meyer, 2012). Neoliberal values serve as only one component of a complex environmental structure that influences decision-making of executive-level administrators.

### **Bronfenbrenner's Ecological Systems Theory**

The original purpose of Bronfenbrenner's (1979) ecological systems theory was to present a new model of human development with emphasis on child and adolescent development. The emphasis of the theory, according to Bronfenbrenner (1979), is upon the individual, their environment, and the evolving interaction between the two. Since its publication, the ecological systems theory has been used as a framework to examine several human behavioral phenomena, foremost among them human decision-making (Reyna & Zayas, 2014). Bronfenbrenner (1979) supported the notion that behavior evolves as an interplay between a person and their environment and, to fully understand an individual, group, or organization's behavior, research practices must represent the individual and the environment equally (Lewin, 1935).

Bronfenbrenner (1979) described his systems theory as a nested structure, with the individual at the center and the ecological environment composed of the microsystem, mesosystem, exosystem, and macrosystem, expanding outward from the individual. Bronfenbrenner (1979) argued this ecological system possesses wide-ranging influences on human behavior, which in turn can have wide-ranging effects on public policy. Given the environmental and organizational complexity inherent in the operations and funding of public 4-year institutions (Abouzeida, 2014; Bolman & Deal, 2017; Goldstein, 2012; Jor'dan, 2018; Kornberger et al., 2019; March & Simon, 1958; Weerts, 2014), review of Bronfenbrenner's (1979) ecological systems theory in this study allows for a better understanding of the highly complex system leaders must navigate as they address financial instability. The following sections will review core assumptions related to

ecological systems, examine micro-, meso-, exo-, and macro- systems, and review the role of the individual within Bronfenbrenner's (1979) ecological systems theory.

### ***Ecological Systems Theory Core Assumptions***

Bronfenbrenner (1979) presented several core assumptions to consider when examining the interactions between the micro-, meso-, exo-, and macro- systems and any individual within them. The first of these assumptions relates to the interconnected nature of all entities within any component of the ecological system. Specifically, Bronfenbrenner (1979) described a holistic concept of interconnectedness where linkages between individuals and the micro-, meso-, exo-, and macro- systems always exist. Additionally, these connections exist between environments the individual does not directly participate in and establish a force of consequence between these systems, and between the systems and the individual, allowing events in one system to affect what happens in others.

A second assumption highlights the relationships associated with human behavior within any ecological system. According to Bronfenbrenner (1979), these relationships exert an inherent, reciprocal influence upon each other and are most easily identified in the workplace in relationships between and supervisor and employee, amongst individuals on a joint work group or committee, or in cross departmental or divisional collaboration. These reciprocal influences are strongly tied to inter-relational expectations, stressors, and support and can have wide-ranging effects depending on the nature of the relationship (e.g., are they collaborative or disruptive?).

A third assumption emphasizes the critical role *ecological transitions* can play in the behaviors of individuals within ecological systems. Bronfenbrenner (1979) defined an

ecological transition as an event when a person's place or role in the ecological environment is altered, usually due to a change in role, setting, or both. A transition to an individual's role may affect their behavioral expectations, values, actions, or desired outcomes given their position in an organization. An environmentally focused transition, from an organizational perspective, may relate to a shift in mission, vision, values, available funding, or the constituency in which the organization primarily serves (Bolman & Deal, 2017; Goldstein, 2012).

In the context of ecological transitions, it is critical to recall the aforementioned concept of reciprocity. A transition to one's environment is highly likely to cause a transition in one's role, while the reverse is likely also true. Additionally, Bronfenbrenner (1979) noted the importance of not only examining what events occurred in truth, but also the importance of thoughts, perceptions, and fears and their influence on how a person functions and interacts with their environment. Bronfenbrenner (1979) argued that when it comes to understanding human behavior, what is perceived is oftentimes more important than what objectively and truthfully occurred. Finally, it is important to acknowledge that in many instances environmental influences cannot be directly observed, but only inferred from words, behaviors, relations, and patterns in which a person engages.

In a higher education setting, these core concepts could be represented in a near infinite number of ways. The COVID-19 global pandemic has demonstrated the interconnected nature of society and education. Despite not being directly tied to the cause of the COVID-19 outbreak, institutions of higher education have been immensely affected by it (Friga; 2020a; Maloney et al., 2020). These challenges have led to new

initiatives, workgroups, and ways of conducting institutional operations which have affected relationships, changed operational expectations, and created ecological transitions for countless employees (Bradford, 2020; Flaherty, 2020; Friga, 2020a; Most, 2020; Weiner, 2020). On a smaller scale, changes in institutional funding, student enrollment, leadership priorities, or political realities would demonstrate the influence of interconnected, human relationships, and ecological transitions in different ways.

### ***Microsystem***

The microsystem is the narrowest of the ecological systems, the system closest to the individual, and is defined as a pattern of activities, roles, and interpersonal connections experienced by an individual in a given setting (Bronfenbrenner, 1979). Bronfenbrenner (1979) highlighted three primary features of the microsystem in relation to the individual. First, the microsystem most directly involves the ongoing activity of the individual day to day. In the context of this study, the microsystem would include the physical space utilized by an executive administrator, such as their office building, and includes the various physical and conceptual arenas in which they engage in their work. The second feature involves the perceived interconnections between the individual being studied and others within the microsystem, such as team members, colleagues, or other persons with which the studied individual interacts with daily. The final feature highlights the notion of the individual's role in the microsystem and the effect one's role has on individual and environmental behavior.

Bronfenbrenner (1979) defined a role as activities and connections expected of a person occupying a given position in society. It is important to note that although one's role is largely a product of the microsystem, it is also strongly influenced by the

institutional, ideological, and political structures associated with the broader ecological systems. Additionally, Bronfenbrenner (1979) highlighted the importance of what is experienced when examining the microsystem. For any interaction to be associated with the microsystem, it must be experienced in a face-to-face setting. Bronfenbrenner cautioned against an assumption that simply because something takes place within the microsystem that its influence is only felt in the microsystem. Via the core concept of interconnectedness, events, outcomes, and actions taking place within the microsystem are highly likely to reverberate throughout the collective ecological system.

### ***Mesosystem***

Bronfenbrenner (1979) defined the mesosystem as the interconnected relationships between two or more settings in which an individual actively participates. The core concepts associated with the mesosystem closely mirror the structure and operation of the microsystem, as the mesosystem is essentially a system of microsystems. Bronfenbrenner noted that while micro- and meso- systems are similar, there is a critical difference in the nature of the interconnections involved in these systems. Whereas in the microsystem all interconnections are within a single environment or setting, interconnections in the mesosystem take place across setting boundaries.

Bronfenbrenner (1979) outlined four primary cross-setting interconnections: (a) multisetting participation (i.e., one person engages in activities in more than one setting), (b) indirect linkage (i.e., a third party serves as an indirect link between two settings), (c) intersetting communications (i.e., messaging between two settings with the intent of sharing information or coordinating action), and (d) intersetting knowledge (i.e., information or experience that exists in one setting about the other). Bronfenbrenner

noted that the development of mutual trust, a positive orientation, goal consensus, effective communication, and a balance of power is important in successfully navigating the mesosystem. In the context of higher education, the mesosystem would include areas outside of an individual's direct area of involvement where they engaged directly or indirectly. Examples could include committee work, cross-department collaborations, and communication with key stakeholders within the institution or community, work process that affected other areas of the institution, or situations where they have existing experience or knowledge that is sought out by others.

### ***Exosystem***

Bronfenbrenner (1979) defined the exosystem as settings in which the individual is not an active participant but nevertheless affected by. Bronfenbrenner (1979) emphasized the increased likelihood that a breadth of uncertainty and conflict can stem from the exosystem and its potentially unknown connections to other systems and individuals, calling for the establishment of strong linkages, communication, and knowledge-sharing in order to mitigate these challenges. The aforementioned core assumption of interconnectedness and the influence ecological systems can have on each other and individuals, even when they do not play an active role, is perhaps best illustrated by the exosystem.

In a higher education context, components of the exosystem may include the media, accreditors, political decisions, or societal issues that leaders may rarely directly engage with but have the potential to meaningfully influence a leader's values, actions, or decisions. It is important to highlight that many potential influencers, such as politics, likely have connections to multiple ecological systems. For example, state or federal

political values and actions may exist in the macro- or exo- system, while an individual may actively engage in politics at the local or regional level. It is also important to note that the system in which a specific influence exists is directly affected by the individual and what environments they actively engage in and how frequent that engagement is (Bronfenbrenner, 1979).

### ***Macrosystem***

The broadest ecological system is known as the macrosystem (Bronfenbrenner, 1979). The macrosystem encompasses environmental consistencies of the lower order systems (i.e., the exo-, meso-, and micro- systems) as well as belief, ideology, or value systems underlying those lower systems. Bronfenbrenner noted that macrosystem is not only the existing societal status quo, but is also the future and past status quo, reflecting supported values, patterns of organization, and cultural norms (especially in the context of expected and acceptable behavior) of a society and its members. In a higher education context, components of the macrosystem may include values, priorities, or expectations that are placed on an institution from society or broad conceptual issues that affect society, such as wealth, diversity, and educational accessibility. The aforementioned tenets of neoliberalism (e.g., quality assurance, performance indicators, strategic planning, operational efficiency) is one example of societal values, priorities, and expectations that exert influence on higher education institutions.

Bronfenbrenner (1979) argued that the macrosystem's influence permeates all environments a person may exist and operate in. Additionally, it is in a constant state of development and change, which influences the lower order systems and individuals. A recent example of macrosystem change is seen in the COVID-19 global pandemic.



Societal beliefs, values, and expectations related to health and wellness has caused a widespread shift to individual and organizational behavior at all levels of society. Changes in the macrosystem can be felt decades later, especially when changes to the system are supported by shifts in widespread societal perceptions or implementation of laws, regulations, or policies. Bronfenbrenner (1979) argued that almost all research and experiments are attempting to understand, explain, or change the macrosystem.

Decisions are not made in a vacuum (March, 1994; Reyna & Zayas, 2014). To better understand the breadth and scope of factors executive leaders at public 4-year institutions must navigate when making decisions related to financial instability, one must have a broad understanding of what those factors are, where they originate, and what influence they have on both the institution and the administrators leading it. Bronfenbrenner's (1979) ecological systems theory provides a broad starting point for simplifying these complex influences by pinpointing where these influences come from and how they affect individual behaviors. By examining a leader's immediate environment (i.e., microsystem), the expanded environments the leader periodically engages with (i.e., mesosystem), environments the leader does not engage in but is influenced by (i.e., exosystem), and the broader societal and cultural values that influence society collectively (i.e., macrosystem), the decision-making processes executive leaders engage in, as well as the decisions themselves, will be better understood.

### ***Individual Roles in the Ecological System***

Benner and Tushman (2015) argued that modern organizational leaders must face a vexing number of challenges. From expectations to be innovative (Marquis & Battilana, 2009), strategic (Besharov & Smith, 2014), local and global in scope (Marquis &

Battilana, 2009), to do well and do good (Battilana & Lee, 2014), be profitable and sustainable (Eccles et al., 2014; Henderson et al., 2015), and to inspire both high commitment and high performance from their employees (Beer & Eisenstat, 2004), the challenges facing executive leaders have never been more paradoxical and complex (Bolman & Deal, 2017). To better understand Bronfenbrenner's (1979) ecological systems theory in the setting of higher education, it is necessary to examine current literature on the roles executive administrators must assume in order to contextualize their influence across the micro-, meso-, exo-, and macro- systems. Additionally, a review of the primary challenges that higher education executive administrators currently face will provide additional insight to the expectations, values, and actions of individuals in these executive roles.

A recent report from *The Chronicle of Higher Education* (2019a) surveyed college presidents to gain their perspective on the current challenges facing executive-level administrators. Their responses represented higher education leadership as a complex, challenging, and volatile environment. Respondents described the university as a battlefield, fraught with challenges related to financial constraints, declining college-aged populations, a new emphasis on achievement gaps and graduation rates, more assertive boards of trustees, and intensified public scrutiny via social media's ability to elevate campus-level issues into national scandals (*The Chronicle of Higher Education*, 2019a). Sixty-one percent of respondents identified financial pressures as the foremost concern of their presidency, with the majority divulging most of their time is spent on financial management, fundraising, and building financially-focused relationships with alumni, community stakeholders, and state politicians, requiring ample time away from

the campuses they serve. Additional top concerns related strongly to the financial wellbeing of the institution including developing revenue sources, retaining students, competing for students, improving graduation rates, expanding academic program offerings, reducing costs, and retaining faculty and staff (*The Chronicle of Higher Education*, 2019a).

Other challenges mentioned by current presidents involved several political realities they must navigate. Selection of, and maintaining positive relationships with, institutional board of trustee members was a common theme (*The Chronicle of Higher Education*, 2019a). Additionally, the role of the president to navigate and mediate between many diverse constituencies (e.g., students, staff, faculty, board of trustee members, community stakeholders, politicians), and the often-divergent values these populations represent, was listed as a primary challenge. Many respondents noted the increased polarization of constituencies, both on and off campus, as making the institutional agenda no longer agreed upon. One current president summarized the situation by explaining that “There’s no way [a president] can please or appease everyone. When you have a more diverse student body, alumni, and faculty, it makes for a richer, ultimately healthier conversation, but not an easier one” (*The Chronicle of Higher Education*, 2019a, p. 23).

Research related to the roles, responsibilities, and desirable attributes of executive leaders is robust and often divided (Hendrickson et al., 2013; Ruben et al., 2017). For the purpose of this study, executive-level leadership will be considered through three foci: higher education, financial management, and executive leadership. Birnbaum (1992) argued that expectations and challenges faced by higher education academic leaders has

led to a potential impossibility for leaders to lead as needed. When examining the roles, responsibilities, expectations, and desired skills of executive-level administrators, one can easily see the merit in Birnbaum's argument. *The Chronicle of Higher Education* (2019a) listed the following desirable skills for a college president: (a) can lead change, (b) works well with the board, (c) good public coordinator, (d) fund raising, (e) strategic risk taker, (f) strong financial acumen, (g) understands student needs, (h) works well with faculty, and (i) knowledgeable in enrollment and admission best practices. Additionally, many respondents to *The Chronicle of Higher Education* (2019a) survey noted the importance of an executive-level administrator who is approachable, inclusive, and able to navigate increasingly present tensions related to racial, ethnic, and socioeconomic diversity among students, faculty, and in the surrounding community.

Barr and McClellan (2018) examined the role of executive-level administrators through the lens of financial management and presented five core skills leaders must possess. The first skill identified was to make sound fiduciary decisions, which entails knowledge of institutional fiscal policies, meeting deadlines, solving problems while they are manageable, providing constant attention to detail, and understanding the impact of both large and small expenditures and revenues. The second skill is informed listening, which involves effective lines of communication between centralized and decentralized facets of fiscal management processes and procedures. Barr and McClellan (2018) emphasized the importance of established partnerships and collaborative problem solving in this skill. Third, resource gathering, or fundraising, is considered a critical skill for executive-level administrators. Next, the role of friend making was listed as an important, but often overlooked skill for leadership. Through friend making, institutional leaders

intentionally network with key constituencies related to the budget and revenue process (e.g., vendors, alumni, politicians, community leaders, divisional and departmental budget staff) in order to encourage positive outcomes (e.g., more effective communication, better cost negotiations with vendors, improved fundraising). Finally, Barr and McClellan (2018) noted the importance of leaders to be fiscal problem solvers, able to navigate problems, realize optimal solutions, and build support for their policies across campus.

Greenstein (2009) examined executive leadership outside the realm of higher education and focused on six qualities that relate to job performance. The first of these was one's proficiency as a public communicator. This quality centers on formal communication, but includes approachability, communicative style, and one's digital presence. The second quality related to organizational capacity, or one's ability to organize one's team and structure their work activities effectively. Third, Greenstein (2009) examined one's political skill, which is related to how one utilizes their positional power, builds and maintain stakeholder support, and ultimately achieves their personal and organizational goals. Tied closely to political skill, the next quality examined one's vision, which refers to one's ability to possess and articulate a set of overarching goals and desired outcomes. Greenstein (2009) noted that critical component to one's ability in the area of vision is a capacity to understand the feasibility of their desired outcomes in a complex political environment, allowing them to focus their political capital on achievable outcomes. The fifth quality concerned one's cognitive style, or how one processes the sometimes deluge of advice and information that comes their way. Finally, Greenstein (2009) examined one's emotional intelligence, or how one manages their

emotions and whether they can be turned to constructive purposes or instead diminish one's capacity for leadership.

Although these three leadership foci serve as a foundation for examining individual decision-making in this study, perception and action is highly individualized and influenced by environmental factors. Although Bronfenbrenner (1979) did not explicitly investigate the concept of the individual leadership through the lens of higher education leadership, two noteworthy concepts warrant inclusion in the discussion of executive-level administrators. The first was Bronfenbrenner's perception of the individual as a dynamic entity, existing in a constant state of change, development, and restructuring based on their reciprocal influences with their environment. This notion of reciprocal influence lends credence to the notion that individuals can develop new perspectives and skills in response to challenges or crises that will affect both their decision-making processes and the quality of the decisions themselves.

Second, in later research, Bronfenbrenner (1986) added the chronosystem to his ecological systems theory. The chronosystem centers on the individual and comprises the collective experiences of a person's life, including environmental events, major life transitions, and historical events. Bronfenbrenner notes these collective experiences have profound influence on an individual's behavior, values, preferences, attitudes, and actions which, in the context of this study, are likely to influence decision-making in numerous ways (e.g., Drnevich et al., 2009; March, 1994; North, 1962; Reyna & Zayas, 2014; Sayegh et al., 2004).

Many of the previously noted concepts related to the roles, skills, and modern challenges of executive-level administrators are echoed throughout academic literature,

especially those related to mediating different goals and desired outcomes across stakeholders, navigating organizational complexity, communicating effectively, strategic planning, and resolving crisis (e.g., Hendrickson et al., 2013; Mitchell & King, 2018; Ruben et al., 2017; Trachtenberg et al., 2018). The aforementioned concepts, while broadly applicable across higher education institutions of all kinds, are not intended to serve as a comprehensive list of potential challenges or desired leadership qualities. As noted by numerous researchers (e.g., Bolman & Deal, 2017; Bronfenbrenner, 1979, 1986; Goldstein, 2012), although circumstances affecting a particular phenomenon (e.g., decision-making, institutional funding, resource allocation) can be similar across organizations and time, environmental and individual factors play a unique role in the analyzing and understanding of any phenomena at a specific place and time that are not inherently applicable to other, similar, situations. This concept ties closely to organizational complexity and is perhaps most concisely summarized by March (1994), “Understanding any specific decision in a specific situation requires a great deal of concrete contextual knowledge – details about the historical, social, political, and economic worlds surrounding the decision and about the individuals, organizations, and institutions involved” (p. vii).

### **Bolman and Deal’s Four Frame Model**

One of the shortcomings of Bronfenbrenner’s (1979, 1986) ecological systems theory stems from Bronfenbrenner’s assertion that environmental influences cannot be directly observed and can only be inferred based on the actions and behavior of those engaging within the environment. In order to analyze values, actions, and behaviors that may relate to public institutional environmental influences, it is necessary to utilize a

theoretical framework that allows for the deconstruction of complex organizational systems while simultaneously allowing for values, actions, and behaviors, via decision-making, to be identified. Bolman and Deal (2017) described a frame as a coherent set of ideas or beliefs that enables one to more precisely understand what is going on in the environment. In the following sections, Bolman and Deal's structural, human resource, political, and symbolic frames will be examined, with particular focus given to their respective origins in literature, purpose, core assumptions, basic tensions, and potential dilemmas related to each.

### ***Structural Frame***

The structural frame is rooted in the traditional images of organizational charts and hierarchies but goes beyond these images to provide insights into social architecture and its influences and consequences (Bolman & Deal, 2017). The central belief of the structural frame centers on the notion that appropriately organized roles and responsibilities across an organization will maximize job performance and reduce personal conflicts such as confusion, apathy, ineffectiveness, and hostility. Consequently, the structural frame is primarily concerned with how work is divided and coordinated with respect to putting people in the right roles and relationships. Additionally, the structural frame serves as a framework for an organization's strategic goals as well as a blueprint for how internal players and external constituencies engage with the organization.

Grounded in the early writings of Taylor (1911) and Weber (1947), six core assumptions serve as the foundation of the structural frame: (a) organizations exist to achieve set goals and outcomes and implement strategies to achieve desired outcomes;



(b) organizations seek to improve efficiency and performance through division of labor and role specialization; (c) appropriate forms of coordination and control coordinate diverse efforts across the organization in service to desired outcomes; (d) organizations work best when rationality supersedes personal agendas and inessential pressures; (e) effective structure is high individualized to an organizations current circumstances (e.g., desired outcomes, strategy, technology, workforce, and environment); and (f) when performance decreases due to structural challenges, the solution is problem solving and restructuring (Bolman & Deal, 2017).

Several tensions and dilemmas exist for leaders when deciding how to structure their organization. Bolman and Deal (2017) defined the two primary tensions as differentiation and integration. Differentiation is described as the keystone of structure centers on how organizations allocate work and divide people into working groups. Mintzberg (1979) outlined six approaches to the division of work including allocation by function (e.g., based on knowledge or skill), time (e.g., when work is done), product (e.g., what is produced), customer (e.g., constituencies served), place (e.g., based on geography), or process (e.g., grouping by workflow). Integration is concerned with how diverse efforts are coordinated in pursuit of organizational desired outcomes and is generally implemented either vertically or laterally. Vertical work coordination is controlled through authority, rules, policies, and planning and control systems, while lateral work coordination is less structured and more flexible, with authority less centralized across the organization. Each approach to differentiation and integration possesses different strengths and challenges related to work specialization, coordination,

and control that are highly specific to the personnel, desired outcomes, structure, and environment of the organization (Bolman & Deal, 2017; Mintzberg, 1979).

Additionally, when examining the structural frame, Bolman and Deal (2017) outlined several operational dilemmas that organizations must balance in the pursuit of their desired outcomes. These structural dilemmas include gap versus overlap (i.e., balance of clearly assigned tasks without excessive overlap), underuse versus overload (i.e., balance of individual workload so employees are not underutilized or overwhelmed), clarity versus creativity (i.e., under- or over- defined responsibilities can lead to excessive work rigidity or flexibility), autonomy versus interdependence (i.e., balance of providing space and freedom to employees while ensure they are connected to their team and organization), and goal-less versus goal bound (i.e., understanding the current goals of the organization and how one's work applies to those goals).

Organizational best practices related to these dilemmas, similar to the aforementioned tensions, are highly situational and can vary based on organizational factors (Bolman & Deal, 2017; Mintzberg, 1979)

The structural frame emphasizes how work is allocated and coordinated in pursuit of organizational goals. Bolman and Deal (2017) noted that organizational size, age, core purpose, operational strategy, goals, availability of technology, nature of the workforce, and environmental realities that affect the organization can have wide-sweeping influences on the structural frame of an organization. Additionally, Bolman and Deal (2017) noted that periods of volatility (e.g. a change in funding, expenditures, leadership, constituency, purpose) inherently impact and necessitate change within the structural frame.

### ***Human Resource Frame***

The human resource frame focuses on what people and organizations do for and to one another (Bolman & Deal, 2017). It emphasizes the relationship between human needs and organizational requirements with emphasis on improving ways people are managed and how an organization can develop and retain a driven and skilled workforce. Additionally, the human resource frame views employees' skills, attitudes, energy, and engagement as vital organizational resources that can have profound impacts, both positively and negatively, on the success of the organization. The human resource frame seeks to outline an organization's approach to people and their needs, acknowledging that humans are infinitely complex, nuanced beings.

The human resource frame has foundations in the work of Mayo (1933, 1945) and Follett (1941), is strongly rooted in human motivation theory (e.g., Herzberg et al., 1959; Maslow, 1943, 1954; McClelland, 1985; McGregor, 1960; Pink, 2009), and centers on four core assumptions: (a) organizations exist to serve human needs, not the reverse; (b) people and organizations need each other (e.g., organizations need ideas, energy and talent while people need careers, income, and opportunities); (c) when the fit between the individual and organization is poor, one or both suffer; and (d) good fit between organization and individual benefits both (Bolman & Deal, 2017). In examining individual and organization fit, three functions are highlighted: (a) how well an organization provides meaningful work to their employees; (b) how well jobs allow employees to utilize their skills and express their sense of self; and (c) how the organization fulfills individual's financial needs (Bolman & Deal, 2017; Cable & DeRue, 2002).

Organizations must navigate several challenges in pursuit of an effective human resource frame. These challenges include employee physical withdraw (e.g., chronic absenteeism, quitting), mental withdraw (e.g., indifference, apathy), resistance (e.g., reducing output, sabotage), alliance forming (e.g., unionize, take steps to equalize power imbalances), and seeking to rise in the organizational hierarchy so that their grievances can be pursued from a position of greater authority (Argyris, 1957, 1964; Bolman & Deal, 2017; Hamper, 1992). Bolman and Deal (2017) noted one core dilemma presented by the human resource frame regarding modern realities of increased global competition, rapid change, social media, and the need for organizations to adapt rapidly to market and consumer shifts. In response to these modern challenges, researchers have indicated that organizations will typically respond in one of two ways (Bolman & Deal, 2017; Cascio & Boudreau, 2008; Lawler & Worley, 2006; Pfeffer, 1994, 1998, 2007). The first response is to minimize fixed human assets, increase their reliance on part time or temporary employees, and implement various downsizing and outsourcing initiatives to control costs and manage fluctuations in business operations. The second response entails organizations investing in their employees, implementing additional training and onboarding procedures, increasing pay and benefits, and actively working to build reciprocal loyalty between the organization and its employees. How an organization responds to this personnel dilemma has an immense influence on the four organizational frames (Bolman & Deal, 2017).

Finally, Bolman and Deal (2017) outlined several organization and human resource practices that provide the foundation for a human resource frame. These practices include development and implementation of a human resource philosophy to

inform organizational culture; intentional hiring, retention, and training programs; empowerment of employees through inclusion, autonomy, and professional development; and actively promoting diversity initiatives both within the organization and in the community. Although much of the human resource frame emphasizes the broader relationship between the organization and its employees, Bolman and Deal (2017) stressed interpersonal and group dynamics play an essential role in the daily functioning of the human resource frame, particularly in the context of management styles (e.g., Blake & Mouton, 1969; Judge et al., 2002; Lewin et al., 1939), team roles (e.g., Handy, 1993; Maier, 1967; Parker, 2008; Weingart et al., 2015), and how decisions are made (e.g., Druskat & Wheeler, 2003; March, 1994; Maruping et al., 2015).

### ***Political Frame***

The notion of political power and politics tends to be viewed with skepticism and negativity both from individual and organizational perspectives (Bolman & Deal, 2017; Hendrickson et al., 2013; Ruben et al., 2017). The political frame encompasses the realistic process allocating resources and making decisions in the context of divergent interests and resource scarcity (Bolman & Deal, 2017). A strong theme exists across both organizational and decision-making research that political influences and decision-making are inherently and deeply tied to each other (Beverly, 2018a; Bolman & Deal, 2017; Greenstein, 2009; Kornberger et al., 2019; March, 1994; Neustadt & May, 1988; North, 1962; Papadakis et al., 2008; Reyna & Zayas, 2014; Ricoeur, 1988; Rosenthal & Hart, 1991). The political frame views organizations as turbulent arenas seeking to navigate, and choose from, a multitude of individual and group interests. Ultimately, it is

not a question of whether an organization will involve politics, but rather what kind of politics an organization will have (Bolman & Deal, 2017).

The political frame originates from the work of Crozier and Friedberg (1977) and Mann (1986), emphasizing five core assumptions: (a) organizations are made up of coalitions of individuals and interest groups; (b) coalition member's values, beliefs, information, interests, and perceptions of reality widely differ; (c) important decisions usually involve allocating limited resources; (d) any situation involving scarce resources and personal differences involve conflict and power dynamics; and (e) goals and decisions emerge from competing stakeholders bargaining and negotiating for their interests (Bolman & Deal, 2017). Although the political frame is evident in all organizational conditions, it is especially present under conditions of organizational diversity and elevated resource scarcity. Diversity leads to an increase in individuals, interests, values, and perceptions during negotiations while resource scarcity generally leads to an increase in salience and intensity of the decision-making process.

Bolman and Deal (2017) highlighted the importance of inter-relational politics in decision-making processes, especially in relation to power and authority, one's ability to influence those with competing goals, and how conflict is navigated and resolved (e.g., Cialdini, 2008, 2016; Cyert & March, 1963; French & Raven, 1959; Heffron, 1989; Kanter, 1977; Russ, 1994). There are four primary skills individuals can exercise in navigating the political frame: (a) agenda-setting (e.g., outlining goals, interests, and activities), (b) mapping political terrain (e.g., identifying primary political influencers and option viability), (c) coalition building (e.g., developing a base of power with like-minded collaborators), and (d) negotiation (e.g., reconciliation of partial interests and

conflicts among groups) (Bolman & Deal, 2017; Kanter, 1983; Kotter, 1988; Lax & Sebenius, 1986; Pfeffer, 1992). Additionally, both individuals and organizations may have differing perspectives of ethics, morality, and fair play as they navigate the political frame (Burns, 1978; Lax & Sebenius, 1986; Messick & Ohme, 1998; Svava, 2007).

In the examining the political frame, it is critical to consider political influences both within and outside of the organization. Moore (1993) described organizations as political agents who engage in larger arenas and ecosystems beyond their immediate environment. Hoskisson et al. (2002) noted that organizations are inevitably dependent on resources from external sources (e.g., consumers, government funding) whose demands and desires must be considered. Bolman and Deal (2017) argued that these external resources are inherently limited and generate competition. For organizations influenced by state or federal regulatory or funding processes, the potential influence of politics to the organization cannot be understated (Beverly, 2018b; Schuler et al., 2002). Additionally, there are many who view society as an ecosystem whose power, perspectives, and unmatched purchasing power cannot be ignored in the context of organizational operations (e.g., Bakan, 2004; Fishman, 2006; Perrow, 1986). These arguments led Bolman and Deal (2017) to conclude that every organizational process has a political dimension. Further, the notions of organizational and political complexity outlined above provide further weight to the arguments of Bronfenbrenner (1979) and the applicability of his ecological systems theory to organizational settings.

The political frame is heavily tied to who has the power and authority to build a dominant coalition, advance their agenda, and ultimately decide how scarce resources will be allocated by an organization (Bolman & Deal, 2017). It is important to note that

although the political frame is strongly tied to decision-making processes, it also influences organizational values, goal setting, and a myriad of prospective issues related to ecosystems within, and outside of, the organization.

### ***Symbolic Frame***

The symbolic frame is concerned with how symbolism helps individuals make sense of the disorderly, uncertain world in which they live (Bolman & Deal, 2017). This sense-making is deeply rooted in meaning, belief, and faith. Symbols serve as the foundation of meaning systems, and these systems have profound implications for organizational culture and individual's perception of it.

The symbolic frame stems from several research disciplines including organizational theory, sociology, political science, and neurolinguistics, particularly emphasizing the research of Mead (1928, 1935), Jung (1965), Bandler and Grinder (1975), and Deal and Kennedy (1982). It entails five core assumptions: (a) what happens is less important than what it means, (b) events and actions can have fluid meanings based on individual's experiences, (c) symbols help people to find direction and hope amidst uncertainty and ambiguity, (d) what actions express or signal is often more important than their intent or outcome, and (e) culture serves as the glue that unites people and bonds dissimilar internal organizational entities in pursuit of desired outcomes (Bolman & Deal, 2017).

Bolman and Deal (2017) presented several avenues by which organizational symbols create organizational culture, including: (a) mission, vision, and values statements; (b) myths and stories; (c) rituals and ceremonies; (d) heroes and heroines; (e) metaphors and humor; and (f) day-to-day organizational standard operating procedures



(e.g., assessment, evaluation, planning, meetings, supervision). The symbolic frame permeates institutions of higher education. Examples of organizational symbols include (a) institutional branding (e.g., color, logos, mascots, font), (b) words (e.g., slogans, mottos, songs, building and street names), (c) physical spaces (e.g., buildings, monuments, statues, architecture), (d) events (e.g., traditions, ceremonies, athletics), (e) attire (e.g., clothing, jewelry), and (f) areas of institutional prestige (e.g., premier academic program, ranked sports team). These symbols not only provide a sense of culture and shared community amongst those within it, but also provide the basis for organizational norms and expectations (Bolman & Deal, 2017; March, 1994). These norms and expectations affect organizational and individual values, which can have profound impacts on decision-making.

Bolman and Deal (2017) argued that much of the day-to-day functions of organizations serve as a form of theater for establishing, acting out, and meaning-making components of the symbolic frame. This performative viewpoint explains how culture is developed, maintained, and changed over time. In the example of organizational meetings, what topics are discussed, who attends, who speaks, what time is spent on and off topic, and how the nature of discourse affects how one perceives, and engages in, their organization (March & Olson, 1976).

Another example may include employee or program evaluation and assessment (Valle, 2020). The amount of time, energy, and resources allocated to appraisal initiatives are likely to influence employee perceptions of organizational culture (Culbert, 2010). Similarly, employees' perceptions of whether appraisal initiatives influence corrective action, program support, and decision-making (Bolman & Deal, 2017; Weiss, 1980) or

simply serve as process appeasement for government accountability (Floden & Weiner, 1978), can strongly influence organizational culture. Similar examples can be made in standard organizational practices such as strategic planning, collective bargaining, power utilization, management of public or governmental perceptions, and communication practices (e.g., Blum, 1961; Bolman & Deal, 2017; Cohen & March, 1986; Enderud, 1976; Friedman, 1994; Vaill, 1989).

Bolman and Deal's (2017) four frame model provides four distinct approaches to operationalizing, identifying, and analyzing the varying and complex influences that affect individual and organizational values, actions, and behaviors. It is important to note that although the specialized perspective provided by each frame individually allows for the deconstruction and analysis of the complex environments, leadership roles, and decision-making processes associated with financial instability at public institutions, only by examining the interplay between these frames can a more robust and accurate perspective of the organization be analyzed.

### **Finance, Budgets, and Resource Allocation**

Institutions experiencing financial hardship will likely be required to make budgetary decisions that will impact all facets of the institutional structure and culture (Wright, 2018). As such, it is important to deconstruct budgetary systems and realities in higher education. In order to understand executive-level decision-making during periods of financial instability, one must understand these evolving realities and their influence on higher education systems. In this section, I will provide a broad review of public 4-year institution revenue and expenditure sources, examine contemporary issues in higher education finance, present data reviewing national finance trends in recent years, examine

strategies for resource allocation during periods of financial instability, and close with an examination of the influence finance decisions can have on a variety of institutional outcomes.

### ***Public Institution Revenue and Expenditure Sources***

Public 4-year institutions largely share sources of revenues and expenditures across geographic location and institutional type (Barr & McClellan, 2018; Goldstein, 2012). Although situational and regional differences exist, causing some revenues or expenditures be more or less prominent, institutional revenues generally come from the following sources: (a) government funding (e.g., local, state, and federal grants), (b) tuition (e.g., undergraduate, graduate, and professional programs), (c) student fees (e.g., mandatory fees, such as parking and lab fees, and those for specialized student services such as health care, athletic events, or commencement), (d) investment income (e.g., endowments, short- and long- term investment programs), (e) gifts (e.g., fundraising campaigns, annual giving), (f) grants and contracts (e.g., public and private funds provided for research, special programs, auxiliary services, and licensing of institutional brand), and (g) auxiliary enterprise sales and services (e.g., on campus bookstores, dining, transit operations, hotels, theaters, agricultural products, conference operations) (Barr & McClellan, 2018; Goldstein, 2012; Jor'dan, 2018). Additionally, in certain organizational structures, rental fees (e.g., for access to academic space, concert venues, stadium use) and hospital sales and services can provide additional revenue sources for public institutions.

Similar to the revenue sources of public 4-year institutions, related areas of expenditure exist across public institutions with some variance depending on university

type or location (Barr & McClellan, 2018; Goldstein, 2012). These expenditures include: (a) human resources (e.g., employee salaries and benefits, professional development), (b) facilities (e.g., facility construction, upkeep, and depreciation), (c) educational activities (e.g., instruction, research, program supplies, library and periodical memberships), (d) student support services (e.g., health services, student clubs and organizations, recreational centers, academic assistance offices), (e) financial aid (e.g., scholarships and fellowships), (f) technology (e.g., hardware, software, support staff), (g) utilities and contracted services (e.g., electricity, water, waste removal, copier maintenance, janitorial services, food service), and (h) communication (e.g., publishing, printing, postage) (Barr & McClellan, 2018; Goldstein, 2012; Jor'dan, 2018). Additionally, public institutions often have expenditures related to travel, entertainment, gifts, and debt service.

Public 4-year institutions generally rely on government funding as their primary form of revenue, with state appropriations serving as most institution's highest percentage of overall revenue (Barr & McClellan, 2018; Goldstein, 2012; McFarland et al., 2018; Mitchell et al., 2016; The Pew Charitable Trusts, 2019; Snyder et al., 2016, 2018). For many public institutions, tuition revenue serves as the second, and rapidly growing, sources of revenue (Snyder et al., 2016, 2018; State Higher Education Executive Officers Association, 2020; The Pew Charitable Trusts, 2019). Human resources expenditures related to employee salary, benefits, and retirement serve as the foremost expenditure at most public institutions (Barr & McClellan, 2018; Goldstein, 2012; McFarland et al., 2018; Mitchell et al., 2016; The Pew Charitable Trusts, 2019; Snyder et al., 2016, 2018).

### ***Contemporary Issues in Higher Education Finance***

Higher education institutions of all types are in the midst of widespread, systematic changes related to acquiring and maintaining the fiscal resources necessary to support educational endeavors (Barr & McClellan, 2018). Some of the changes affecting decision-making are part of decades-long trends, others have evolved recently, and some have yet to occur but will affect higher education in future years. In order to understand the influence these challenges have upon decision-making processes of executive-level administrators, a summary of these challenges will be outlined in this section.

**Reductions in Government Funding.** When examining government funding per full time equivalency (FTE) from 1994-2019, total government appropriations to public institutions have steadily risen since the end of the Great Recession in 2013, from approximately \$6,961 per FTE in 2013 to approximately \$8,196 per FTE in 2019 (State Higher Education Executive Officers Association, 2020). This rise in total appropriations in recent years has not returned government support of higher education to its pre-Great Recession levels, which peaked in 2001 with approximately \$9,979 appropriated per FTE. According to Mitchell et al. (2016), after adjusting for inflation, funding for two- and four- year public institutions is approximately \$10 billion less than it was immediately preceding the Great Recession. Comparing education appropriations between 2008 and 2019, funding remains 8.7% lower in 2019 (State Higher Education Executive Officers Association, 2020). Forty-six states spent less per student during the 2015-2016 academic year when compared to the 2007-2008 academic year, averaging nationally to an 18% reduction, approximately \$1,598 less in per-student support (Mitchell et al., 2016).

In addition to reductions in direct government support to public institutions, there has also been a steady decline in federal funds dedicated to students (The Pew Charitable Trusts, 2019). Federal Pell Grants, research funding, and veterans' educational benefits<sup>1</sup> all received an increase in funding during and immediately after the Great Recession but experienced a leveling off or reduction between 2012 and 2017. Additionally, the federal government is the nation's largest lender of student loans, lending \$94 billion in student loans in 2018<sup>2</sup>, which is down from the \$119 billion peak in available loans in 2011 (The Pew Charitable Trusts, 2019).

In 2017, public institutions educated 70% of college students nationwide and received 98% of state and 71% of federal higher education funds (The Pew Charitable Trusts, 2019). State and federal funding makes up an average of 34% of public institution revenue. With higher education expenditures related to instruction, human resources, and institutional operations on the rise, the reduction of governmental funding at all levels creates a multitude of challenges, such as budget allotments, resources allocation, and student accessibility issues that executive-level administrators must plan for and respond to (Goldstein, 2012; McFarland et al., 2018).

**Tuition Increases.** To mitigate the revenue reductions from governmental sources, many public institutions have turned to tuition and fee increases. Between 2008 and 2016, Mitchell et al. (2016) reported tuition increases in all 50 states, averaging an annual increase of \$2,333 per student, or 33%. In their analysis, 39 states saw at least a 20% increase in tuition, with 14 states experiencing a more than 40% increase, and 7

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<sup>1</sup> This statement is made in the context of general educational support funds available to veterans and does not include the Post-9/11 GI Bill that was implemented in 2009.

<sup>2</sup> By comparison, states lent \$452 million in 2018, totally less than 1% of the federal total

states raising tuition more than 60%. Additionally, net public institutional tuition revenue declined in 2019 for the first time since 2008; however, the data indicate this reduction, which averaged only 0.1%, or \$6 per FTE, nationally, is entirely explained by an increase in student financial aid (State Higher Education Executive Officers Association, 2020). The trend of tuition increases is not a new phenomenon. According to the State Higher Education Executive Officers Association (2020), student's share of total attendance costs at public institutions was 20.9% in 1980 compared to 46% in 2019.

Increasing tuition is a complicated decision for institutions of higher education and involves a multitude of factors that must be considered (Barr & McClellan, 2018; Goldstein, 2012; McFarland et al., 2018; Mitchell et al., 2016). How tuition is set varies by state, with some institutions having high levels of autonomy while others have their tuition set by state governing bodies (Goldstein, 2012). Additionally, many states have restrictions that limit how much tuition can be raised each year or how much in-state students can be charged, further constraining an institution's ability to mitigate lost governmental funds during periods of financial instability. Finally, it is important to note that increasing tuition is not a consequence-free options for executive-level administrators or legislators. There is substantial evidence that cost-of-attendance increases affect several affordability and accessibility concerns for many students, especially traditionally marginalized student populations (e.g., first-generation, lower socioeconomic status, minority, undocumented students) (Bjorklund, 2018; Conger & Chellman, 2013; Darolia & Potochnick, 2015; Garcia, 2019; Goldstein, 2012; Mitchell et al., 2016; Park, 2018; Trostel, 2012).

**Competition.** There are two broad concepts to consider when examining the concept of competition in higher education. The first, as outlined by Barr and McClellan (2018), involves higher education's role in competing for government funds, especially state appropriations, against a multitude of other state interests. These competing interests include elementary and secondary education, health care services, infrastructure needs, correctional facilities, human services (e.g., programs aimed at addressing poverty, social workers), and maintenance of public lands (Barr & McClellan, 2018; Mitchell et al., 2016). Ultimately, higher education is but one of many public services provided by the state, and its ability to generate revenue via tuition, fees, and other services is not shared by all public services (Schuh, 2000).

The second main concept of competition in higher education is seen in competition between institutions (Goldstein, 2012). This inter-institutional competition can relate to enrolled students, research and grant funding, and quality faculty and staff. As higher education institutions have continued to evolve from education- to service-providers, there is greater emphasis on institutional services and perks of attendance (e.g., new residence halls, recreational centers, dining, and entertainment amenities) and how those services and perks compare and contrast across institutions (Gipps, 1999; Jankowski & Provezis, 2012; Pucciarelli & Kaplan, 2016; Raaper, 2016; Sadler, 2011). This emphasis on services and perks has required institutions to strategize, operate, and communicate differently to recruit and retain both current and prospective students (Pucciarelli & Kaplan, 2016). Additionally, the level and scope of competition continues to expand from its traditional local or regional influence due to increases in globalization, use of technology, and interest in digital forms of learning (Musselin, 2018).



**Regulation Growth and Unfunded Mandates.** Over the last 50 years, institutions of higher education have experienced an exponential growth in mandates and regulations from both state and federal entities (American Council on Education, 2015). Although these requirements overwhelmingly aim to support and protect students, staff, faculty, and institutions themselves, they also require institutional resources (e.g., funding and staff) that are often not provided by state and federal entities. Some of these regulations include: (a) security and safety (e.g., Occupational Health and Safety Act, Student Right-to-Know and Campus Security Act), (b) privacy (e.g., Family Educational Rights and Privacy Act, Health Insurance Portability and Accountability Act), (c) research regulations (e.g., Animal Welfare Act, Human Subjects Research Act), and (d) discrimination (e.g., Employment Act, Title VII of the Civil Rights Act of 1964, Equal Opportunity Act) (Barr & McClellan, 2018). Additionally, there are numerous regulations surrounding financial aid, state and federal reporting, and fiscal management. These regulations are often costly and required to both receive government funding and to remain in good standing with institutional accreditors.

**Rising Operational Costs.** Costs associated with running and attending a public 4-year institution are on the rise (Barr & McClellan, 2018; Goldstein, 2012; McFarland et al., 2018; Mitchell et al., 2016; State Higher Education Executive Officers Association, 2020). Reduced appropriations, tuition increases, building a campus that is attractive to students, and expansion of regulations all play a substantial role in in these costs (Barr & McClellan, 2018; Goldstein, 2012). Local, regional, national, and global competition amongst institutions can increase already large budget allotments to salaries and benefits and often involve large investments in new facilities and amenities (Pucciarelli & Kaplan,

2016). Investment in and upgrades to technology, while allowing for improvements to be made to education, communication, research, and business processes, often come with high initial implementation and training costs as well as long term costs for maintenance and increase information technology support (Goldstein, 2012). Similarly, faculty research requires immense investment in books, periodicals, supplies, lab space, equipment, and utilities. An unexpected cost increase in any one of these operational areas can wreak havoc on annual and long-term budgets and strategic plans (Association of Research Libraries, 2005).

**Enrollment.** The college enrollment rate, defined as the percentage of 18-24-year-olds enrolled in a graduate or undergraduate program at either a 2- or 4- year institution, has steady increased from 35% in 2000 to 41% in 2016 (McFarland et al., 2018). Because of a period of declining birthrates in the United States during the Great Recession, many institutions of higher education are preparing for an enrollment crisis (*The Chronicle of Higher Education*, 2019b). Data indicate that after enrollment peaks in 2025, an approximately 9% drop in the 18-24-year-old demographic will begin in 2025, bottoming out in 2031 before slowly starting to increase. This enrollment crisis comes on the heels of several other influential changes across higher education including ongoing shifts in public perception about the value of college and debt, an increase in student diversity, and projections of ongoing reductions in government support (Barr & McClellan, 2018; *The Chronicle of Higher Education*, 2019b; McFarland et al., 2018). These realities highlight and encourage the aforementioned concept of competition across all institutional types, but especially for those who, either because of institutional type of

geographic location, stand to be at higher risk for disruption to standard operating procedures (*The Chronicle of Higher Education*, 2019b).

**COVID-19 Global Pandemic.** Beginning in the spring of 2020, the standard operating systems of American higher education were substantially disrupted by the COVID-19 global pandemic. The overwhelming majority of institutions nationwide transitioned to online or hybrid instruction for the remaining for their spring and summer courses (Maloney & Kim, 2020; Smalley, 2020). As of this writing, only 2.5% of U. S. higher education institutions self-reported as opening fully in-person for the fall term, with 20% delivering instruction primarily in-person, 54% implementing some form of online or hybrid approach, and 30% reporting as TBD or other (*The Chronicle of Higher Education*, 2020). COVID-19 brought a previously unknown level of uncertainty and ambiguity to the doorstep of higher education institutions and the executive-level administrators who strategically plan and make decisions on their behalf. This uncertainty is especially evident in attempting to accurately project 2020-2021 enrollment, governmental appropriations, approaches to instruction, and measures to ensure student success (Art & Science Group, 2020; Jaschik, 2020a; Maloney et al., 2020; SimpsonScarborough, 2020; Walling et al., 2020).

The initial financial impact has been projected in the tens-of-billions of dollars (Kim et al., 2020) and has involved cutting budgets, emergency fundraising, staff and faculty furloughs and hiring freezes, reducing or eliminating a number of professional benefits and services to employees (e.g., merit raises, professional development, travel, office supply budgets, retirement matching programs), delaying non-essential capital projects, salary reductions, and even layoffs or non-renewal of adjunct faculty contracts

(Anderson, 2020; Bauer-Wolf, 2020a; Bodin, 2020; Bradford, 2020; Cherney, 2020; Flaherty, 2020; Friga, 2020a; Marowski, 2020; Michigan State University, 2020; Most, 2020; Schlissel, 2020; Tatum, 2020; The University of Arizona, 2020; Weiner, 2020). Several thought-leaders expect the impact of COVID-19 to last for years, perhaps even coinciding with the upcoming enrollment crisis, meaning its influence on higher education finance and decision-making will continue into the foreseeable future (Berg-Cross & Green, 2010; Brint et al., 2016; Galambos, 2009; Verstegen, 2013).

**Roles of Budgets and Resource Allocation.** Barr and McClellan (2018) noted that the reality of higher education budgeting is that there are more ideas for services and programs than there is funding to implement those ideas. Hence, how institutions allocate resources via budget allotments helps distinguish between immediate *needs* and institutional *wants*. Goldstein (2012) highlighted five primary roles of institutional budgets: (a) the financial representation of an institution's strategic and operational plans, (b) a contract between management and operating units responsible for carrying out the institutional plan, (c) a forecast of the institution's current and projected financial situation, (d) an indicator of risk tolerance, and (e) a political instrument. Goldstein (2012) noted that budget decisions were not made in a vacuum and claimed a variety of observations related to institutional priorities, operations, politics, and health can be developed based on the decisions made in the budgeting process.

Goldstein (2012) noted several key factors that influence institutional budget processes, including: (a) institutional character (e.g., size, mission, funding type, culture, operational climate, administrative structure, and history); (b) decision-making authority (e.g., who has the power to make financial decisions across the institution); (c)

transparency (i.e., the degree to which the budget process is open to those not directly involved in it); (d) levels of trust (i.e., between administration, faculty, staff, and students); and (e) communication (i.e., how information about the budget processes and decisions are made is communicated from those in power to those not). These concepts, which also have close ties to Bronfenbrenner's (1979) ecological systems theory and Bolman and Deal's (2017) four frame model can have profound influences on decision-making processes and, ultimately, the final outcomes of those processes (Goldstein, 2012).

**Budgeting During Financial Instability.** There are many reasons an institution may experience financial instability, with reductions in enrollment and governmental funding, unsuccessful fundraising programs, and unusual or unexpected events being among the most common (Barr & McClellan, 2018). Research indicates there are several approaches taken by institutional executive-level administrators in response to periods of financial instability. Goldstein (2012) noted that reductions of travel and discretionary funds are often seen at the onset of financial instability, along with hiring freezes and campus-wide budget reductions. Further, purchasing freezes for library books and periodicals, deferring infrastructure maintenance and renovations, and staff furloughs are seen frequently as periods of financial instability lengthen. Jor'dan (2018) and Wright (2018) echoed these ideas and add that structural or curricular changes may also be implemented to reduce costs, such as reviewing space utilization, combining or eliminating programs, departments, and their support staff, increasing class sizes, selling assets, or altering institutional mission or goal statements. During more substantial periods of financial instability, measures such as department or program elimination,

early retirement programs, temporary pay cuts, and termination of faculty and staff are possible (Goldstein, 2012; Jor'dan, 2018; Wright, 2018).

Goldstein (2012) argued that institutions should not plan for financial instability but instead should plan to avoid financial instability. Dickeson (2010) advocated for continuous long-term planning and program prioritization, where university initiatives are classified into one of four categories: (a) enhance (i.e., programs that would benefit from increased investment or new programs that would significantly benefit the institution), (b) maintain (i.e., programs that should continue without significant change), (c) reduce or restructure (i.e., programs that will be contracted, consolidated, or restructured), and (d) eliminate (i.e., programs that will be discontinued). When proactive measures have not been taken, Dickeson (2010) advocated for unified priorities, a review of the institutional mission statement, the establishment of rules, principles, and procedures to structure decision-making, and clear criteria by which programs and activities will be assessed. Goldstein (2012) argued that having a plan for financial instability allows institutions to best respond to it, noting that the time needed to develop a well-considered plan will not be available once a problem arises.

Both Goldstein (2012) and Wright (2018) highlighted the importance of conducting long-term impact assessments on all decisions made in response to financial instability. Decisions made in haste are likely to be misunderstood in the context of adherence to university, state, and federal laws, which may lead to ramifications such as lawsuits by affected stakeholders. Additionally, rapid-response decisions may jeopardize good standing status with institutional accreditors, which risks accreditation loss and is likely to cause additional costs to regain good standing.

**Impact of Funding Decisions.** The prospective influences of budgeting decisions on desirable institutional outcomes has caused a long and contentious debate among scholars. A substantial body of research (Abouzeida, 2014; Delaney & Doyle, 2011; Fernandes & Chagas-Lopes, 2016; Gansemer-Topf & Schuh, 2006; Gansemer-Topf et al., 2018; Hamrick et al., 2004; Hayek, 2001; Pike et al., 2006; Pike et al., 2011; Ryan, 2004; Smart et al., 2002; Trostel, 2012; Umfress, 2010; Webber, 2012; Webber & Ehrenberg, 2010; Weerts, 2014; Zhang, 2009) in which scholars have suggested increased institutional funding to academic support, instructional support, student activities and clubs, and student support services (e.g., mental health services, financial aid advising, diversity and multicultural initiatives) has a positive impact on a wide array of desirable student and institutional outcomes, including retention and graduation grades, GPA, student engagement, student leadership competencies, and career readiness. There is also research that calls these claims into question while advocating for a position that increased funding does not necessarily lead to an increase in achievement of desired outcomes (Abouzeida, 2014; Gansemer-Topf et al., 2004; Gansemer-Topf & Schuh, 2006; Gansemer-Topf et al., 2018; Pike et al., 2006; Pike et al., 2011; Ryan, 2004, 2005; Smart et al., 2002; Webber & Ehrenberg, 2010).

Two important themes to note emerge from researchers who questioned the relationship between increased funding and desirable outcomes. The first is embodied by Webber and Ehrenberg (2010), who observed that the influence of increased funding is dependent on who is receiving it, arguing that increases in funding to support students who perform below average in various college readiness metrics saw a sharp rise in desirable outcomes, while similar funding to college ready students produced minimal or

no increase in desirable outcomes. The second theme is presented by Gansemer-Topf et al. (2018), who reported a statistically significant increase in retention based on funding increases to instructional support but observed only a .17% increase retention with a \$1,000 expenditure increase per student. Gansemer-Topf et al. (2018), like many other researchers (e.g., Abouzeida, 2014; Pike et al., 2006; Ryan, 2004, 2005; Webber & Ehrenberg, 2010), argued that the influence of reduced or increased funding is highly correlated to situational institutional factors and that leaders must constantly assess the impact of institutional programs and services and decide for themselves what outcomes they expect from their investments.

Although there is no consensus amongst researchers as to the influence of funding changes on institutional outcomes, enough evidence exists on the potential impact of these funding decisions to give executive-level administrators pause before making budgetary decisions. Periods of financial instability are almost always associated with, and complicated by, challenges of revenue and enrollment (Barr & McClellan, 2018; Goldstein, 2012). Executive-level administrators typically benefit from data-driven decisions so that they may best balance desired outcomes related to cost-efficiency and achievement of desired outcomes (Dickeson, 2010; Goldstein, 2012; Pike et al., 2011).

### **Decision-Making**

Effective decision-making is a critical component for organizations of all kinds. Because of its relevance to effective or ineffective leadership, management, teamwork, and organizational function, and outcomes, organizational decision-making has been the subject of extensive examination both in traditional settings (Eckel, 2002; Harrison, 1995; Lindblom, 1959; March, 1994; Neustadt & May, 1988; Reyna & Zayas, 2014; von



Neumann & Morgenstern, 2004; Vroom, 1995) and in settings of instability and crisis (Beverly, 2018a; Drnevich et al., 2009; Frazier, 2018; Hale et al., 2006; Higgins & Freedman, 2013; Kornberger et al., 2019; North, 1962; Papadakis et al., 2008; Ricoeur, 1988; Rosenthal & Hart, 1991; Sayegh et al., 2004; van Dongen et al., 2005).

An essential component that must be considered when examining decision-making is the context in which decisions are made. These contextual differences, such as historical, social, economic, and political realities, organizational type, individuals involved, challenges faced, viable solutions available, and a litany of environmental influences, have immense influence on decision-making practices and outcomes in any situation (Bolman & Deal, 2017; Bronfenbrenner, 1979; March, 1994). The field of higher education serves as an example of a complex organizational environment which defies many of the decision-making principles employed in traditionally studied business environments (Bess & Dee, 2008; Hardy, 1990). The purpose of this section is to provide a broad overview of the researched concepts that influence decision-makers and the choices they make. This section will be followed by an examination of several contextual realities that affect decision-making in higher education environments.

### ***Foundational Theories of Decision-Making***

Classic notions of decision-making theory are grounded in the ideas of reality (i.e., that a single reality exists which can be perceived), causality (i.e., all events and actions are tied to a linear cause and effect process), and intentionality (i.e., decisions are instruments of purpose and self) (March, 1994). These concepts and versions of them permeate literature on decision-making and find their origins in rationality choice theory. Rational choice theory portrays the decision-making process as being conducted by a

fully, or mostly, rational actor (Simon, 1947). Rational choice theories of decision-making have served as a foundational component of decision making in almost all fields of research including economics, resource allocation, political theories, statistical decision theories, and others (March, 1994). A rational decision-maker is described as intelligent, successful, coldly materialistic, unemotional, and sane (March, 1994; Pfeffer & Salancik, 1978; Simon, 1947).

Rational decision-making process assumes that behavior is purposeful, conscious, and consistent (Pfeffer & Salancik, 1978) and takes place in a simple, stable, and clearly defined environment in which available options are well-defined and widely accepted (March & Simon, 1958). Rational decision-making approaches assume decision-makers have perfect knowledge of their preferences, the available choice options, and decision consequences, but ultimately rational decision-making is defined by the process it follows (i.e., dispassionately weighing options and alternatives) and does not imply good choices will inherently be made, or are even available (March, 1994). Organizational structures utilizing rational choice models typically have clear, specific goals and employ highly formalized hierarchies (Chaffee, 1987; Scott, 1992). According to March (1994), rational decision-making is based on two guesses: what the future state of the world will be in the context of the present decision, and how the decision-maker will feel about that future when it is experienced. Overwhelmingly, but not exclusively, rational choice theories are viewed in the context of economic gain and resource utility (March, 1994; von Neumann & Morgenstern, 2004).

March (1994) noted that pure versions of rational choice decision-making strain credulity as to how decisions actually happen and are generally not accepted as credible.

March and Simon (1958), in their critique of rational decision-making approaches, note that individuals and organizations possess limited information and the capacity to process the information they do have. Additional research highlights the rational model's disregard of illogical thinking (Hodgkinson, 1996), psychological influences (Bateman & Zeithaml, 1989; Seltan, 1990), personal characteristics and perceptions (Hitt & Tyler, 1991), and a variety of environmental influences including politics, power, and external influences (Baldrige et al., 1978).

Responses to these critiques lead to several divergent theories based on the core concepts of rationality theory while acknowledging that rationality is limited and the influence of many of the aforementioned disregarded concepts (March, 1994). The most prominent theories to evolve from rationality theory are those of rule following and bounded rationality. Rule following theories of decision-making are grounded in the notion that organizations, and the individuals that serve them, fulfill identities, follow rules, and make decisions based on what is appropriate to the situation in which they find themselves (March, 1994). Organizational identities and rules can be perceived in several ways, both formally and informally, such as in organizational mission, vision, and values statements, culture and symbols, or through a variety of organizational practices such as hiring, purchasing, assessment, performance reviews, and budgeting processes (Bolman & Deal, 2017; Hendrickson et al., 2013; March, 1994; Ruben et al., 2017). March (1994) highlights the reality that complex organizations are full of rules that govern task completion, resources allocation, and decision-making.

Rule following decision-making is determined by an individual's or organization's response to three questions: (a) what kind of situation is this?; (b) what

kind of person am I or organization is this?; and (c) what does a person, such as I, or an organization, such as this, do in a situation such as this? (March, 1994). Rule following approaches to decision-making differ from pure rationality approaches in that rational decision-making emphasizes consequences and alternatives, while rule following emphasizes established identities and matching rules to recognized situations. It is important to note that multiple individual and organizational identities and rules can exist simultaneously (March, 1994; Reyna & Zayas, 2014). Similarly, they can change, especially over time and in organizational settings. Inconsistencies may exist across divisions or departments that result in different decision-making processes in similar situations. Decision-making inconsistencies can also take place in organizations where identities and rules, and updates to them, are not clearly communicated (March, 1994).

Bounded rationality asserts the while decision-making is an inherently rational process, it is impossible to know all options, alternatives, and consequences related to a specific situation or decision (Simon, 1957, 1969). Furthermore, bounded rationality suggests that decision-makers may often have incomplete or unknown sets of preferences or goals. Additionally, the theory argues that consideration of all potential options is neither efficient nor effective, leading to decisions being made in the context of maximizing or satisficing. Instead of pursuing the best possible decision, decision-makers seek the best alternative (i.e., maximizing) or an alternative that exceeds a pre-determined criterion or target, such as a price point (i.e., satisficing) (March, 1994).

A major component of decision-making that was originated in bounded rationality theory is the concept of simplification. When faced with complex, nuanced, or multifaceted problems, decision-makers implement several processes by which they

make the problem, and prospective solutions, more understandable and manageable (Chen, 2013; March, 1994; Schwenk, 1984). The four primary forms of simplification are: (a) editing (i.e., problems are simplified based on common cues, standards, weight of impact), (b) decomposition (i.e., problems are reduced to their component parts and solved backwards via division and delegation), (c) heuristics (identify patterns based on prior experience and repeat previously successful behaviors and actions), and (d) framing (i.e., adoptions of perceptions and paradigms to inform the perspective taken on a problem) (Chen, 2013; March, 1994; Schwenk, 1984).

There is evidence to suggest that simplification strategies come with a tradeoff in that solutions to complex issues cannot be simplified without reducing the impact of outcomes as individuals or organizations attempt to find a balance between solution complexity and solution effectiveness (Abreu & Rubinstein, 1988; Piccione & Rubinstein, 1993; Rubinstein, 1986). Simplified strategies may be attractive for several reasons, including cost effectiveness, communication efficiency, or easily available resources and expertise (Osborne & Rubinstein, 1994). Simplification processes can streamline decision-making processes and the actions associated with them, but organizations should be careful to not oversimplify, and not sufficiently resolve, problems (Rubinstein, 1986).

While rational choice, rule following, and bounded rationality theories serve as the foundation of decision-making theory, it is important to note that these approaches are far from exhaustive. The strategic choice model of decision-making introduced additional layers of complexity to decision-making by emphasizing the influence of an individual's needs, values, experiences, expectations, and how those concepts relate to themselves,

their organization, and the world at large (Child, 1972; Simon, 1947; Weick, 1979). Hambrick and Mason's (1984) upper echelons perspective posits various psychological and experiential characteristics, such as age, education level, background, and personal and professional life experiences, affect individual decision-making. Researchers have suggested that perceptions of the past and future influence decision-making (Bateman & Zeithaml, 1989; Lewin, 1951). Finally, internal and external environmental factors, such as competitor and customer behavior, technology, and environmental instability have been shown to affect decision-making (Child, 1972; Duncan, 1972; Hannan & Freeman, 1977; Hitt & Tyler, 1991; Wally & Baum, 1994). This research aligns with aforementioned concepts of environmental influences (Bronfenbrenner, 1979), organizational complexity (Bolman & Deal, 2017), and the various individual factors that influence decision-making (e.g., March, 1994; Reyna & Zayas, 2014). Because of the increasing frequency, amplitude, and complexity of challenges, both funding and otherwise, faced by public institutions, it is almost impossible for executive-level administrators to make good decisions (March & Simon, 1958).

### ***Multiple Actor Decision-Making***

The aforementioned decision-making research was designed through the lens of a single decision-making individual. Although these concepts are important in understanding the influences that can affect one's decision-making processes, in complex organizations rarely is decision-making limited to a single individual (Bolman & Deal, 2017). It is then important to also examine research that emphasizes multiple actors, with the various complexities they bring to decision-making processes, when examining

decision-making in organizations (March, 1994). In the following section, I will provide a broad overview of multiple actor decision-making research.

March (1994) described multiple actor decision-making as a process that moves away from one inconsistent actor to multiple inconsistent actors simultaneously introducing several complexities into the decision-making process. These complexities vary by organizational type and function, but generally include issues related to communication, coordination, resource scarcity, attention, interpersonal engagements (e.g., trust, conflict, power), knowledge and engagement levels, differences in priorities, as well as actors having varying levels of incomplete information (Beverly, 2018a; Boje et al., 1986; Bolman & Deal, 2017; March, 1994; Neustadt & May, 1988; Reyna & Zayas, 2014; Rosenthal & Hart, 1991). March (1994) defined two stages of multiple actor decision-making. The first stage involves bargaining, negotiation, policymaking, and politics as an initial situation is converted into one in which there is agreement. The second stage involves administration, choice, implementation, execution, and enforcement as actions are taken based on the agreements made in stage one.

Researchers who have examined multiple actor decision-making posited three core assumptions of any group decision-making process: (a) groups are made up of individual participants with their own preferences and identities; (b) preferences and identities differ among participants, different individuals may not see same action as appropriate; and (c) preferences and identities of individuals are inherently and jointly inconsistent and cannot all be realized within existing environmental constraints (March, 1994; Marschak & Radner, 1972). March (1994) noted that identities, perceptions, and inconsistencies can stem from both the individuals themselves and from a multitude of

outside influences, such as those articulated by Bronfenbrenner (1979) and Bolman and Deal (2017).

The role individuals' inconsistencies play in multiple actor decision-making is a commonly referenced topic in the literature. March (1994) presented four implications related to individual inconsistencies in group-settings: (a) action is strategic and highly tied to politics, (b) beliefs are important, (c) trust and loyalty are valued and scarce, and (d) what is given attention is important. March (1994) also noted that politics and administration (e.g., decision-making) are considered to be inseparable from each other, meaning that in high profile or crisis situations, some individual inconsistencies may be deliberate, especially if an individual perceives an opportunity for recognition or career advancement. Reconciliation of these inconsistencies serves as the primary function of March's (1994) first stage of multiple actor decision-making and is a focal point of this study. In the following subsections, primary factors related to individual and multiple actor decision-making processes will be examined.

**Attention and Search.** Outside of purely rational models of decision-making, decision alternatives, consequences, and preferences are unknown and must be sought, investigated, and explored (March, 1994). Consequently, how individuals and organizations allocate resources and attention to information gathering affects both the process and the outcomes of the decision made. March (1988) explained that there are often more things to do than time to do them in, concluding time and resources dedicated to alternative, consequence, and preference discovery is inherently limited. Information and decision delays can be costly, so oftentimes processes of simplifying, maximizing, or satisficing are applied to attention and search in order to reduce these costs (Cyert &



March, 1963). March (1994) explained that individuals and organizations, environmental factors, and economic drivers can influence the time and other resources allocated to attention and search components of decision-making. Additionally, March and Simon (1958) proposed the concept of attention ecology, which posits interested participants have greater influence on attention and search processes than those who are disinterested or not present. Further, organizations tend to gravitate toward the first acceptable solution presented by attention and search, typically slowing or stopping further exploration (Bolman & Deal, 2017; Cyert & March, 1963).

**Ambiguity, Uncertainty, and Risk.** As previously noted, much of decision-making research pertains to the importance of consequences and outcomes as an influential factor of the decision-making process. March (1994) argued that decision-makers must recognize the inherent ambiguity and uncertainty surrounding future consequences of present action. Ambiguity is broadly defined as a circumstance where the decision-maker lacks confidence in what is true, and where uncertainty refers to potential variation in expected outcomes of decisions (Cohen & March, 1986; March, 1994). Ambiguity and uncertainty manifest for several reasons, including the world being inherently unpredictable, incomplete knowledge amongst decision-makers, and failure to reach desired outcome consensus amongst participants (Kahneman et al., 1982). One-way decision-makers attempt to address ambiguity and uncertainty is to summarize complex data in numerical representations (March, 1994). March (1994) noted the decisions that go into how these numbers are created (e.g., what to include or exclude, how to set definitions for what the data mean, what counts or does not) are all subject to the notions

of ambiguity, uncertainty, complexity, and politics that created the problem initially, and rarely serve as a viable solution for reducing ambiguity and uncertainty.

The influence of ambiguity and uncertainty in decision-making processes highlights the importance of risk tolerance as a key factor in how, and what, decisions are made. Tversky and Kahneman (1992) suggested that how individuals evaluate risky prospects is highly influenced by their experiences, perceptions, and the specific situation involved, making broadly applicable definitions of risk and risk tolerance difficult. March and Shapira (1987) explained that risk is broadly understood to be the range of possible outcomes, their probability, and their subjective values. March and Shapira (1987) proposed three factors that affect risk-taking in individual and organizations: (a) risk estimation (i.e., decision-makers assess possible outcomes and assign them values), (b) risk-taking propensity (i.e., level of comfort decision-maker has with range of possible outcomes), and (c) structural factors (i.e., environmental and contextual factors that affect outcomes and the decision-makers perception of them). Given the inherent ambiguity and uncertainty surrounding the consequences of decision-making, how individuals and organizations navigate risk plays an important role in how prospective decisions are assessed and decided on (March, 1994).

**Conflict.** Rizzo et al. (1970) defined conflict in terms of individual or group congruency-incongruency or compatibility-incompatibility in the fulfillment of a role or expectation. Although conflict tends to hold a negative connotation in the minds of people, Bolman and Deal (2017) argued that conflict is not inherently a sign that something is wrong and that organizations can suffer from either an abundance of, or lack of, conflict (Heffron, 1989; Jehn, 1995). Heffron (1989) argued:

A tranquil, harmonious organization may very well be an apathetic, uncreative, stagnant, inflexible, and unresponsive organization. Conflict challenges the status quo [and] stimulates interest and curiosity. It is the root of personal and social change, creativity, and innovation. Conflict encourages new ideas and approaches to problems, stimulating innovation. (p. 196)

Healey et al. (2015) noted that conflict amongst groups takes place at two distinct levels of cognition. The first, conscious and verbal, reflected in conversations about the group and how its work should be navigated and acted upon. The second, unconscious, encompasses emotionally charged attitudes, goals, and stereotypes the individual is not consciously aware of but that affects their behaviors and actions.

Healey et al. (2015) provided two primary models for navigating conflict. Model I presents two strategies: pour oil on troubled waters (i.e., conflict de-escalation or avoidance) or might makes right (i.e., those with authority leverage it to reconcile disagreement). These strategies tend to be ineffective long term as they neglect the root incongruencies and incompatibilities of the conflict. Model II emphasizes purposeful group action to mitigate conflict including (a) skill development, (b) agreement on desired outcomes, (c) productive expression of conflict, (d) establishing common areas of agreement, (e) experimentation with potential options, (f) doubting one's infallibility, and (g) treating differences as a group responsibility (Bolman & Deal, 2017; Cohen & Bailey, 1997; Healey et al., 2015; Lax & Sebenius, 1986; Rossiter, 1966; Weingart et al., 2015). March (1994) noted the reduction of inconsistencies and the alignment of performance incentives, roles, identities, and rules can help minimize negative outcomes of conflict.

Additionally, Rowan (2018) highlighted the role that previously established rules, policies, or contracts can play in providing direction during conflict.

**Power.** Perhaps the most influential component of conflict resolution, and of decision-making processes in general, is the component of power. March (1994) defined power as one's ability to get what they want or to fulfill their identity. There has been robust, multidisciplinary research conducted to identify the various ways power can be leveraged in organizational settings (Baldrige et al., 1978; Boivie et al., 2016; Bolman & Deal, 2017; Brown, 1986; French & Raven, 1959; Kanter, 1977; Kotter, 1982; Lukes, 1974; Mann, 1986, 2013; Pfeffer, 1992; Russ, 1994). Although not exhaustive in nature, the following list summarizes the sources of power: (a) positional power (i.e., granted by a title or legitimate authority), (b) control of rewards (i.e., ability to provide opportunities or resources to loyal supporters), (c) coercive power (i.e., ability to constrain, block, interfere, or punish), (d) information and expertise (i.e., know-how to solve important problems), (e) reputation (i.e., record of accomplishment and success based on prior performance), (f) alliances and networks (i.e., cultivation of friends and allies across organizations and environments), (g) access and control of agendas (i.e., presence in decision arenas), (h) framing (i.e., influence of meaning and symbols to define the issue at hand), and (i) personal power (i.e., possessing charisma, energy, stamina, political smarts, socially adept, vision, being attractive, or having other socially desirable characteristics).

There are two classic approaches to decision-making in the context of power: the power struggle and coalition building (March, 1994; Nagel, 1975; Pfeffer, 1992). In power struggles, the question of who gets what, when, and how, is resolved through two

types of power dynamics. The first, force power, resolves conflicting power dynamics through various kinds of social averaging that consolidate conflicting preferences into a compromised decision. In the force model, power is both positional and behavioral, domain specific, dormant unless activated via words or action, and can be depleted from use (March, 1994; Nagel, 1975; Pfeffer, 1992). Additionally, there is evidence for force conditioning, where members of a group are quickly compromised when an entity who has previously leveraged power successfully signals that they are prepared to do so again (March, 1994).

One of the critiques of the force model of power is that power in those circumstances cannot be independently observed and only estimated from outcomes (March, 1994). The second power model, the exchange model, seeks to address this by focusing on resources that can be traded (e.g., money, property, knowledge, competence, access to others, rights and authorities, information) for advantage in a system of voluntary exchange (March, 1994; Nagel, 1975; Pfeffer, 1992). Within the exchange model of power, individuals trade what they have in order to improve their position and advocate for their ideas. When no more legal or mutually beneficial trades are possible, the process stops. The exchange model highlights three areas of control which can provide advantage in these exchanges, control over rules, resources, and preferences. March (1994) described the exchange model of power like a grand insurance scheme, where favors are offered today in return for the possibility of reciprocal favors in the future. The aforementioned concepts of uncertainty and ambiguity complicate and limit these exchanges, but decision-makers who understand they may need help in the future,

even if they do not know what kind of help, spread favors broadly in an effort to buy insurance against future needs.

In the second classic approach to decision-making in the context of power, coalition building, the question of how power is created and leveraged is answered in how like-minded partners are found and how agreements are negotiated and enforced (March, 1994). Coalition building emphasizes the interactive social aspects of decision-making with focus provided to the decision-making system, organizational rules, and deal-making via bargaining and seeks to answer two key questions: who will be in the coalition and how will spoils be divided? (March, 1994; Riker, 1962). Winning coalitions often gain redistributive power, allowing them to make decisions which move the organization in a desired direction. Accordingly, coalitions generally coalesce around notions of shared decision preference, identities, and vision of the future.

It is important to note that coalitions are not immune to the challenges of identity, perception, desired outcomes, attention, and uncertainty (March, 1994). These challenges and a coalition's inability to successfully resolve the conflict created by them, are common causes for coalition reorganization or termination. Additionally, especially in the context of politics and political gamesmanship, it should not be assumed that joining oneself to a winning coalition is the de facto goal of any decision-maker. In certain situations, it may be advantageous to one's long term goals to willingly join a losing coalition (March, 1994; Riker, 1962).

In the context of organizations and decision making, it is difficult to provide an arena in which power does not influence processes and outcomes (Bachrach & Baratz, 1970; Cyert & March, 1963; March, 1994; Nagel, 1975; Pfeffer, 1992). Power plays an

influential role in all of the aforementioned topics of validating logic, setting rules, bargaining and negotiation, priority setting, attention and search, risk tolerance, and conflict remediation, all of which play meaningful roles in how, and what, decisions are made. In addition to influencing the components of decision-making, power can change, prioritize, or devalue those components. Power can influence who participates in the decision-making process, thereby providing the ability to highlight or undermine certain opinions (March, 1994). In the context of Bolman and Deal's (2017) four frame model, power can set or alter organizational structures and symbols. Power can set rules and policies for organization-wide practices via the human resources frame. Power-wielding individuals and groups are among the most active and influential in political frame dynamics. Through the lens of Bronfenbrenner (1979), powerful individuals and groups tend to be the most active and influential across the collective ecological system, allowing them to influence environments and advocate for their agenda at a level only achieved by a select few (Bachrach & Baratz, 1970; Nagel, 1975; Pfeffer, 1992).

**Decision-Making in Crisis and Instability.** Sayegh et al. (2004) outlined six major characteristics of an organizational crisis: (a) high ambiguity with uncertain causes and effects, (b) low probability of occurrence, (c) an unusual event, (d) requires a rapid response, (e) poses a serious threat to the organization's survival and its stakeholders, and (f) presents a dilemma requiring a decision to implement change. There is a robust body of evidence to suggest that during periods of organizational crisis or instability, additional factors can further complicate already complicated decision-making processes. These factors, which can include elevated stress levels, strong emotions (e.g., hope, fear, desire), bias, interpersonal conflict, factionalism, rushed decision-making processes,

increased uncertainty and ambiguity, and amplified political gamesmanship affect the individuals, organizations, and environments affected by crisis or instability (Beverly, 2018a; Drnevich et al., 2009; Hale et al., 2006; Higgins & Freedman, 2013; Mowrer, 1960; North, 1962; Papadakis et al., 2008; Ricoeur, 1988; Rosenthal & Hart, 1991; Sayegh et al., 2004; van Dongen et al., 2005). This section will serve to review the major themes in the literature related to decision-making during periods of crisis.

Hale et al. (2006) noted that increased ambiguity and uncertainty during crisis leads to elevated levels of stress and emotion, causing negative influences on decision-making such as increased rigidity, reduced tolerance of ambiguity, a shift away from rationality as a *modus operandi*, and an increased error rate when processing information. Drnevich et al. (2009) argued that consensus of organizational outcomes can be difficult, as individuals tend to factionalize based on sub-organizational identities (e.g., based on the division or department they work for) and a prioritization of their unit's survival over collective organizational wellbeing. Papadakis et al. (2008) observed organizational leaders' obsession with data as an influential inhibitor to effective decision-making. In this study, decision-makers factionalized around their preferred data, so additional data was sought in order to break the logjam. New data, which was largely meaningless, was used by the established factions to justify their positions and not seek compromise, which resulted in unnecessary negative impacts for individuals, the organization, and stakeholders.

Higgins and Freedman (2013) outlined several behavioral barriers that negatively influence capacity to make informed decisions. These *decision-derailers* include: (a) altered perspectives (i.e., differences in problem framing and storytelling), (b)



organizational speed bumps (i.e., excessive optimism or overconfidence that the problem is minor or already solved), (c) appeals to authority (i.e., leveraging, or yielding to, preferences of authority who may not be fully informed but who wields political power), (d) resistance (i.e., reluctance to move away from a predetermined course of action), and (e) information pathologies (i.e., biases used to highlight, devalue, or misuse information). Additionally, during periods of crisis there is evidence to suggest that organizations seek to implement actions and policies that were already favored, which can intensify the presence of decision-derailers as some factions attempt to address the problem while others pursue a pre-set agenda (Bowman & Kunreuther, 1988; Higgins & Freedman, 2013).

Rosenthal and Hart (1991) highlighted the influence of organizational politics during periods of crisis. As executive-level administrators feel the weight of high expectations, experience information overload, and are asked to master navigation of new challenges while maintaining existing operations, they enter the arena of *high politics*:

Crises, then, are critical for public careers and political interests. They may enhance or ruin the power and prestige of decision makers. It is evident that during a crisis, decision makers will be concerned not only with managing the substantive threat itself, but also with creating favorable interpretations about the way in which they handle the situation, as well as with anticipating the direction of the public and political debate in the aftermath of the crisis. (Rosenthal & Hart, 1991, p. 358)

Rosenthal and Hart (1991) concluded that organizational politics flourish during periods of crisis and instability. This requires decision-makers to manage both the crisis and

organizational politics in order to ensure a successful outcome for the organization, as many, sensing the political opportunities for agenda promotion, recognition, and career advancement, may not act in consensus and solidarity with organizational needs.

In response to the challenges and additional complexities provided by crisis and instability, researchers have provided several suggested approaches in order to mitigate these difficulties. One of the foremost recommendations is the creation of a crisis response team (e.g., Drnevich et al., 2009; Hale et al., 2006; Higgins & Freedman, 2013; Papadakis et al., 2008). Such teams can reduce factionalism (Drnevich et al., 2009; Papadakis et al., 2008), allow for rapid-cycle review of decision options and consequences (Hale et al., 2006), and can promote cognitive diversity, which helps to ensure power and political dynamics are kept in check as information is identified and assessed (Higgins & Freedman, 2013). Additionally, researchers strongly recommend that crisis response plans, organizational values and priorities, and response teams be predetermined in organizational policy prior to a crisis event (Beverly, 2018a; Drnevich et al., 2009; Hale et al., 2006; Kornberger et al., 2019; Papadakis et al., 2008).

Kornberger et al. (2019) proposed that effective organizational responses to crisis are a combination of cognition, action, and tact (i.e., how actors make decisions under the condition of bounded rationality and the simultaneous transgression of their institutional identities). In situations of high complexity, the balance of organizational agility and directionality is key. Similarly, North (1962) argued that information or circumstances that may only be remotely relevant to the crisis should nevertheless be examined, as it might be a critical piece to the puzzle. Although many researchers agree with the notion that seemingly disparate information can be helpful, decision-makers in crisis must strike

a balance between information gathering and decision timeliness, quality, and the potential impact of a rushed or delayed decision (Bolman & Deal, 2017; Higgins & Freedman, 2013; March, 1994; Papadakis et al., 2008; Reyna & Zayas, 2014; van Dongen et al., 2005).

In their research on decision-making in crisis, Higgins and Freedman (2013) highlighted the importance of critical thinking and practicality. Although they acknowledged the influence framing and politics have on the decision-making process, they encouraged decision-makers to think critically, ask hard questions, and actively pursue cognitive diversity through use of data and subject matter experts. Additionally, Higgins and Freedman (2013) argued that decisions should not be rushed or unduly delayed, noting that committing to a decision too early is equally dangerous to committing too late. Decision-makers are encouraged to keep options open as long as practicable and to be in a perpetual state of decision review and assessment once a decision has been made. A key challenge to balancing critical thinking and practicality was presented by Rosenthal and Hart (1991), who observed an increase intensity in communication speed, volume, and processes during periods of crisis, leading to a decrease in communicative clarity and an increase in the role that emotions (e.g., trust, fear) played in decisions.

Beverly (2018a) proposed a four-phase crisis management model specifically designed for public institutions experiencing a financial crisis. Phase one emphasizes organization. During this phase, the crisis is defined, crisis managers are chosen, and a timeline for investigation and response is formulated. Phase one also includes initial communication about the crisis and the planned response to various constituencies and

stakeholders. During this phase, data collection, technology support, and clear messaging within the crisis team, and to outside stakeholders, are critical for future outcomes.

Additionally, Beverly (2018a) argued that any institutional crisis involving finances inherently requires a political campaign in order to be resolved, noting that special attention must be paid to the composition of the crisis response team and any communications that are sent to internal and external stakeholders.

In phase two, all internal and external stakeholders and constituents must be notified and educated on the crisis and the potential short- and long- term consequences (Beverly, 2018a). This requires the university to have accurate data related to these potential outcomes along with the ability to communicate data in a concise and understandable way. Universities are encouraged to communicate via a broad array of approaches (e.g., face to face, email, social media, focus groups) in order to broadly distribute their message among various populations, solicit feedback, and mitigate harmful and inaccurate rumors. Beverly (2018a) noted the two primary goals of phase two: mitigating damages to the university and ensuring stakeholders know what is being asked for in order to address the crisis. Simply knowing a crisis exists is insufficient for resolving it, internal and external stakeholders must know what they can do to help achieve resolution.

In phase three, the institution initiates its advocacy plan (Beverly, 2018a). In the context of financial crisis, advocacy is typically directed at political leaders who have direct ties and decision-making power related to the crisis. Depending on the context of the crisis, local, regional, or national agencies (e.g., Chamber of Commerce, accrediting or economic development agencies, historical societies, prominent alumni) may also be

involved in the advocacy plan. Navigation of phase three is a highly nuanced, political process where crisis managers seek to advocate their position (e.g., restore funding, end disruption, shorten an impasse) while at the same time not damaging political relationships that will be needed for institutional support in the future. Institutions can pursue several direct (e.g., officials, administrators, board members, faculty) and indirect (e.g., parents, alumni, community stakeholders, furloughed employees) approaches to advocacy, but must balance perceptions of overusing limited institutional resources for advocacy and must maintain cordial relationships with elected officials (Beverly, 2018a). Institutions are encouraged to advocate with consistency (e.g., providing pre-drafted emails for indirect advocacy), coordinate an intentional media strategy, and coordinate with institutions, organizations, and accreditors similarly impacted by the crisis.

In the event phase three is unsuccessful in resolving the crisis, institutions must transition to phase four, agitation (Beverly, 2018a). Unfortunately, due to the highly politicized nature of public higher education funding, public institutions are rarely in the position where they themselves can directly agitate. Instead, agitation must be executed by representatives of the institution without institutional encouragement. This may involve disruptive communication campaigns, sit-ins at legislative offices, or varying degrees of protest behavior. By the agitation stage of a budget crisis, it is almost inevitable that students who are strongly affected by potential tuition hikes and program cuts will be among those primarily involved in agitation activities, which will in turn attract media and political attention (Beverly, 2018a). Institutions are encouraged to remain neutral in response to student agitation activities, neither condoning nor punishing actions.

Beverly (2018a) explained that regardless of whether a financial crisis is resolved in phase three or phase four, institutions must transition to post-crisis planning immediately upon resolution. Due to the nature of politicized decision-making processes (March, 1994; Nagel, 1975; Pfeffer, 1992; Riker, 1962), it is likely that the institution compromised resulting in their receiving less than the desired amounts of funding. As a result, an institution-wide damage assessment must be conducted, and spending priorities and allotments must be reviewed and updated (Beverly, 2018a). Additionally, it is possible that similar challenges may resurface in the future, so institutions are encouraged to assess their performance during the crisis and make plans to proactively prepare for similar challenges should they arise in the future. Finally, institutions must continue to develop and rebuild relationships among internal and external stakeholders including those who dissented against the actions of the institution.

Decision-making, although complex in the best of circumstances, involves a heightened degree of nuance, complexity, and politics during periods of crisis and instability. Although Beverly's (2018a) model of crisis response emphasizes higher education financial crises, other crisis response models from other knowledge domains provide additional contexts for consideration for institutions of higher education. Sayegh et al. (2004) observed that knowledge (e.g., who knows what, when, and how) and emotional memory (e.g., how feelings about prior experiences influence future actions) oftentimes were stronger influences on individual decision-making than logic. Land and Thompson (2018) argued that the influence of media, and social media especially, cannot be understated in the context of political advocacy. An often-overlooked side effect of funding crisis involves the legal and contractual obligations an institution has to vendors,

accreditors, and tenured faculty that cannot easily be altered (Green et al., 2018; Rowan, 2018; Wright, 2018). Rosenthal and Hart (1991) highlighted the critical role subject matter experts and advisors play on decision-maker's perceptions of viable and non-viable options. Bakker et al. (2019) reported that narratives and storytelling served as the strongest influencer of individual support of actions taken in crisis situations, highlighting that how a crisis is framed strongly influences perceptions of decision viability.

### **Influential Factors Related to Decision-Making During Financial Hardship**

Public institutions of higher education exist in a complex organizational environment which defies many of the decision-making and budgeting principles employed in traditionally studied business environments (Bess & Dee, 2008; Bolman & Deal, 2017; Goldstein, 2012; Hardy, 1990). Green (2018) noted that higher education leaders and their institutions must be prepared to thrive in a complex global environment that involves roles and challenges that are distinctly different than those faced by private companies. Further, a state of financial instability adds an additional layer of complexity to the normal operations of the institution (Wright, 2018). When considering how executive-level administrators make decisions during periods of financial instability, there are several additional factors that may influence decision-making processes and outcomes that have not yet been discussed. The purpose of this section is to provide a brief overview of four factors that may affect decision-making in higher education.

#### ***State Realities***

Due to the nature of primary funding sources for public 4-year institutions, nationwide challenges affecting higher education as a whole can have varied influences in different states or areas of the country. One example of this in practice is seen in the

percent change in state spending levels for public higher education. Between 2008 and 2016, state spending on higher education at public institutions decreased 13% after adjusting for inflation (Mitchell et al., 2019). However, nine states saw an increase in state support during this time, with Illinois increasing public higher education support by over 30% while Arizona decreased funding by almost 55%. Similarly, during COVID-19, nationwide enrollment during the fall 2020 semester dropped approximately 3%, but some regions were disproportionately affected, including the Midwest, which saw an enrollment decline of 5.7%; the West, where enrollment declined by 3.9%; and the Northeast, which reported a 3.4% enrollment reduction (National Student Clearinghouse Research Center, 2020). Despite these regionalized differences, five states across four regions saw enrollment increase by as much as 8.9%. As previously noted, specific contextual circumstances related to local, state, and regional realities can meaningfully influence both the challenges experienced by public institutions and the decision-making processes that seek to respond to them.

### ***Stakeholder Communication and Management***

Higher education institutions work with, rely on, and serve a wide range of internal and external stakeholders and constituencies, including students, staff, faculty, system administrators, trustees, regents, alumni, community leaders, politicians, accreditors, and the media (Beverly, 2018a; Land & Thompson, 2018). During periods of financial instability, each of these stakeholder and constituent groups are likely to be affected in different ways and will likely have a different set of priorities and perceptions related to how the instability can best be resolved (Rowan, 2018). The establishment and implementation of a clear, focused, and targeted message is critical for institutional



navigation of financial instability. Beverly (2018b) highlighted the importance of focused messaging to inform stakeholders of the nature of the instability as well as to provide direction on how they can support and advocate on behalf of the institution. Although communication plans will have similarities across different stakeholders, there will also be meaningful modifications as institutions seek to mobilize support and advocacy differently based on stakeholder priorities and goals. Green and Williams (2018) emphasized the importance of social media in communication campaigns, and Beverly (2018a) encouraged institutions to utilize feedback loops to ensure stakeholders and the institution maintain open dialogue as the instability period evolves and priorities shift.

One intent of institutional communication plans during financial instability is to provide information to, and solicit feedback from, stakeholders and constituencies. There is also an aim to influence and control the narrative of the crisis as competitive forces seek to resolve the issues at hand (Green, 2018). At a time when public universities are having to justify their value and impact more than at any other time in history, public and political perceptions have immense influence on the outcomes of funding conflicts (*The Chronicle of Higher Education*, 2019a). Bakker et al. (2019) conducted a study examining the influence of narrative and statistical information on individual's perception of a crisis situation and found that established narratives had the stronger affect. Additionally, the narrative affect was intensified when supplemented by statistical information that supported the narrative. Further, it was observed that once an individual had accepted a narrative explanation of the crisis situation, they were increasingly resistant to counterarguments and engaging with new facts that opposed their established position. Beverly (2018a) argued that any institutional crisis involving finances

inherently requires a political campaign to resolve, arguing how institutions communicate with and manage their various stakeholders and constituencies can play a significant role in how decision-making processes and outcomes are navigated.

### ***Data Management***

Decision quality is strongly tied to available information (Beverly, 2018a; March, 1994; Neustadt & May, 1988; Reyna & Zayas, 2014). The way institutions implement data search and collection can influence the quality of the data they collect. Green and Williams (2018) highlighted the importance of finance (i.e., current and projected revenues and expenditures) and enrollment (e.g., retention rates, academic support metrics, at-risk student populations) data and encouraged institutions to pay special attention to freshmen, who will have less time invested in the institution and will likely find it easier to transfer their relatively few credits elsewhere. Beverly (2018a) advocated for ongoing data collection procedures to take place throughout periods of financial instability, emphasizing the importance of efficient collection practices (e.g., utilizing specialists for this process, such as an Office of Institutional Research) and technological support.

Frazier (2018) highlighted the importance of clean, error-free data, arguing that complete, consistent, and accurate data are essential to avoid accusations of data tampering and bad-faith approaches to resolving financial instability. Additionally, data transparency plays a critical role in the understanding and acceptance of projections and claims that are made. How data are defined, and the methodologies and analyses used, can be called into question if not developed collaboratively and shared openly. Finally, executive-level administrators are encouraged to be proactive in their approach to

decision-making about how data are collected, what is included, and how it is defined, as initiating this process during financial instability is likely to increase the politicization of the process.

### ***Shared Governance***

Among the most influential facets of decision-making in public institutions is the concept of shared governance (Hendrickson et al., 2013). Shared governance refers to a collaborative relationship between an institution's board of trustees, executive-level administrators, and faculty in the decision-making and governance of the institution (Eckel, 2000). Broadly speaking, each of the entities associated with a shared governance model have a primary area of focus (Hendrickson et al., 2013). The role of the board is to maintain the institution's charter and fiscal health. The president is tasked with sustaining current, and generating new, revenue sources. The CAO is to manage and lead the institution's academic programs. Faculty implement current, and develop new, curricula based on institutional and student needs and environmental change. Overlap of these roles is common and expected, with institutional models varying based on their type, size, history, and culture (Tierney & Minor, 2003).

The concept of shared governance highlights many of the concepts related to decision-making and organizational complexity that has been discussed in this review of research. In alignment with the theories of Bronfenbrenner (1979), many of the institutional leaders involved in shared governance perceive challenges within the lens of a very specific environment or value set. Collectively, these members are responsible for varying, and sometimes overlapping, components of Bolman and Deal's (2017) four frames. Because of the inherent collaborative nature of the shared governance model, no

one entity possesses primary decision-making authority for an institution, leading to decision-making processes, power, and authority that are highly fractured and at times domain-specific (March, 1994). This decentralization highlights previously discussed influences of group decision-making including politics, communication, conflict, and coalition building. In the context of financial instability, this already complex approach to governance and decision-making is further complexified by increased uncertainty and ambiguity, and as internal and external stakeholders and constituencies advocate for their own interests (Wright, 2018).

### **Summary**

Bolman and Deal (2017) noted that organizations are complex, surprising, deceptive, and ambiguous entities. They operate as open systems with changing, challenging, and erratic environments that contain a bewildering array of people, departments, strategies, and goals. Society is described as a world of messes, with complexity, ambiguity, value dilemmas, political pressures, and multiple constituencies making predictions as to how organizations will behave, and what decisions they will make, notoriously difficult. Bolman and Deal (2017) noted that “almost anything can affect everything else in a collective activity, generating causal knots that are hard to untangle” (p. 31). Learning what has taken place after its done is often a matter of sundry evidence, conflicting information, and conjecture.

Because of these complexities, Bolman and Deal (2017) strongly cautioned against overreliance on preconceived theories, models, and images to examine or judge organizational behavior. Furthermore, they argued that narrow, oversimplified mental models of examination and analysis serve to cloud, rather than illuminate, managerial

action. It is with these cautions in mind that this study has been designed. Although existing research provides robust insight as to the financial challenges and outcomes of higher education institutions (Barr & McClellan, 2018; Brint et al., 2016; Delaney & Doyle, 2011; Goldstein, 2012; Larkin & Weiler, 2017; McFarland et al., 2018; Mitchell et al., 2016, 2017; Mitchell et al., 2019; Schanzenbach et al., 2017; Selingo, 2018; Toutkoushian & Paulsen, 2016; U. S. Department of Education, 2018; Valero & Reenen, 2019), exploration of the decision-making processes of executive-level administrators and the broad environmental factors that affect decision-making has not been deeply explored, especially in the context of institutional instability and crisis. Given the uncertain financial future faced by higher education due to the COVID-19 global pandemic and the anticipated enrollment crisis, increased understanding of decision processes and influences will help institutional leaders navigate a future that projects to be highly volatile and unstable.

## **CHAPTER III**

### **Research Methods**

The purpose of this qualitative phenomenological study was to examine decision-making processes of executive-level administrators as their 4-year public institutions experience financial instability. In this study, I examined how executive-level administrators described their experiences with periods of institutional financial instability, the decision-making processes they were involved in during those periods of instability, and the outcomes of the decision-making processes. This chapter contains the following sections related to the research methodology of this study: (a) research design, (b) participant information, (c) context of the study, (d) data collection, (e) procedures, (f) data analysis, and (g) trustworthiness.

#### **Research Design**

For this study, I provided a detailed analysis of the decision-making experiences that executive-level administrators had while their public institutions were faced with financial instability. Because the purpose of this study was to examine executive-level administrators and their individual experiences in order to inform the decision-making processes and actions of others, a qualitative phenomenological study was implemented (Finlay, 2009; Giorgi, 2009; Moustakas, 1994). The research questions guiding this study were:

1. How do executive-level administrators at 4-year public institutions make decisions during periods of institutional financial instability in Texas?
2. How do the decision-making processes of executive-level administrators at 4-year public institutions during periods of institutional financial instability differ from

decision-making processes during periods of institutional financial stability in Texas?

Creswell (2007) described one effective use for qualitative approaches to research as being when a concept or phenomenon has received little attention in the literature, while phenomenological research emphasizes both what participants experienced, and how they experienced it, through conscious individual experience, meaning-making, and understanding (Creswell & Creswell, 2018; Moustakas, 1994; Privitera & Ahlgrim-Dezell, 2019). Given the quantitative focus of existing higher education finance research and minimal research examining higher education decision-making during periods of financial instability, these research approaches are appropriate for examining the unique realities of executive-level administrators navigating complex, highly political educational systems.

### **Participant Information**

Participants in this study were asked to share their perceptions and experiences related to the phenomenon under investigation (Privitera & Ahlgrim-Dezell, 2019). For this reason, a non-random, purposive sampling scheme was utilized to ensure participants had lived experiences related to the primary research questions (Privitera & Ahlgrim-Dezell, 2019). Participants were invited to take part in this study after determining the following: (a) sampling strategy, (b) sample size, (c) criteria for participant selection based on the research questions, and (d) the method of selection of the institution and participants (Johnson & Christensen, 2014; Privitera & Ahlgrim-Dezell, 2019).

### ***Sampling Strategy***

Criterion sampling, the process used by the researcher predetermines a set of criteria by which to select participants, was used for this study (Privitera & Ahlgrim-Dezell, 2019). Criterion sampling is the most commonly used sampling strategy in phenomenological studies (Miles & Huberman, 1994) and criterion-based sampling serves as the starting point for all research (Goetz & LeCompte, 1984). Upon selection of criteria, participants were invited to participate in the study and provided the opportunity to respond to the research questions.

### ***Sample Size***

Creswell and Creswell (2018) encouraged the selection of a diverse sample in order to represent different perspectives of the investigated phenomenon. In order to pursue a diverse sample, I developed criteria for participant selection that was reflective of Bronfenbrenner's (1979) ecological systems theory in that it was inclusive of executive-level administrators and other institutional influencers from a variety of environments.

There is a lack of consensus among researchers as to the appropriate number of participants to include in a phenomenological study. Some researchers provide a set number, such as Creswell and Creswell (2018) and Polkinghorne's (1989) suggestion of at least five participants, or Romney et al.'s (1986) recommendation of four experienced participants. Other researchers provide broader recommendations arguing that a sample size is sufficient when no new categories, themes, insights, or explanations are being provided by participants (Marshall, 1996; Onwuegbuzie & Leech, 2005). For the purposes of this study, I aimed to interview a minimum of six participants, two each of



presidents, chief financial officers, and chief academic officers in order to represent diverse perspectives on decision-making processes. Ultimately, 13 participants were interviewed; four presidents, seven CFOs, and 2 CAOs.

### ***Criteria***

Miles and Huberman (1994) recommended purposeful participant selection based on four aspects: (a) setting (i.e., the location of the research), (b) the actors (i.e., who is involved in the research), (c) the events (i.e., what the actors did, or will do, that will be studied), and (d) the process (i.e., the nature of events experienced by the actors in the setting). In the context of this study, the shared governance model provided by Eckel (2000) will be used to purposefully identify prospective participants based on Miles and Huberman's (1994) four aspects. Eckel (2000) identified the board of trustees, executive-level administrators, and faculty as the primary collaborators and decision-makers in shared governance models. I examined decision-making during institutional financial instability through the lived experiences of executive-level administrators, specifically institutional presidents, chief financial officers, and chief academic officers.

The location of this study took place in public 4-year institutions within the state of Texas. Utilizing the Texas Higher Education Coordinating Board website and Accountability System, 41 public 4-year institutions were identified for inclusion in this study (Texas Higher Education Data, 2020; THECB Accountability System, 2020). After comparing the two datasets, 35 institutions were selected for potential inclusion in study. The six institutions removed were, in each case, reported to the state as a separate institutional entity but were not in actuality a public 4-year institution (e.g., separate medical schools or satellite campuses associated with parent campuses). Additionally, the

setting of this research includes institutions that are currently experiencing financial instability. Building on the research of Sayegh et al. (2004) and Batuo et al. (2018), financial instability is defined in this study by the following attributes: (a) increased ambiguity and uncertainty, (b) involves an unusual or unfamiliar event, (c) disrupts standard operating procedures, (d) requires a rapid response, (e) poses a threat to the organization's survival and its stakeholders, and (f) requires a decision to implement change.

Initially, institutional financial rating data was to be used in order to identify financially unstable institutions. Financial ranking data was sought from the U. S. Department of Education (2020) as well as from financial rating agencies S&P Global (Wood, 2020) and Moody's (2020). These data proved problematic and incomplete. As of this writing, Department of Education financial responsibility data are only published through 2018 for public institutions. Additionally, financial rating agencies have not issued ratings for some Texas public 4-year institutions in more than a decade, while other institutions are rated by institutional system, not by the institutions themselves. Further, some data was cost-prohibitive to obtain.

As a result of these challenges, two additional avenues were utilized to determine criteria for inclusion in the study. The first was a financial stress assessment created by The Hechinger Report (Butrymowicz & D'Amato, 2020), which calculates an institution's level of financial stress based on data trends from 2009-2020 in four categories: enrollment, retention, average tuition, and state appropriations. The second avenue was public media. If an institution or reputable media agency publicly reported information that indicated financial instability (e.g., revenue shortfalls, enrollment

reductions, furloughs or termination of faculty or staff), it was included in the study.

After review of government data, available financial ratings, Hechinger Report data, and media sources, 32 public 4-year institutions were selected for inclusion in the study.

### ***Method of Selection***

Participants meeting the criteria outlined above were contacted via their publicly available institutional email address with information about the study and a request to be interviewed. Participants who agree to be interviewed were provided a letter that explained the research purpose as well as an informed consent form they verbally agreed to in order to protect confidentiality.

### **Context of the Study**

This study was conducted within the state of Texas, which provided for an investigation of financial instability at public 4-year institutions under challenging circumstances. Between 2008 and 2018, Texas appropriated approximately 23% less per student in 2018 when compared to 2008, a reduction of almost \$2,200 per student state-wide (Mitchell et al., 2019). These appropriations cuts have been offset by Texas public institutions having the highest percentage of FTE enrollment growth of any state between 2006 and 2016 (CollegeBoard, 2018), permitting for reductions in appropriations to be covered by tuition and fees. From 2008-2018, average annual tuition at public institutions in Texas increased by more than 30%, increasing by more than \$2,300 (Mitchell et al., 2019). In 2018, funding for higher education totaled 8.5% of Texas' state budget, or approximately \$1.08 billion. After adjusting for inflation, 2018 funding levels are approximately \$3 billion less than Texas's 2008 appropriations allotment (Mitchell et al., 2019). This reduction in funding substantially shifted the cost burden of attending college

to students, disproportionately affecting low-income and non-traditional students, increasing funding uncertainty for Texas public institutions, and producing an in-state atmosphere of enrollment competition among public colleges and universities within the state (Flores & Shepard, 2014; Mitchell et al., 2019).

The emergence of the COVID-19 global pandemic added new challenges to Texas' approach to higher education funding. The Texas Comptroller's Office, which oversees state tax collection, accounting, and revenue estimation, has projected the state will generate \$11.5 billion less in revenue than originally projected due to the COVID-19 outbreak and reduced revenues caused by low oil prices (Pollock, 2020). As of this writing, this revenue shortfall will lead to Texas ending its 2020-2021 biennium budget in August of 2021 with a \$4.6 billion budgetary deficit. These projections do not currently include expected additional appropriations related to medical care, underfunded programs, and additional COVID-19 related expenditures (Pollock, 2020). In May 2020, Texas political leaders instructed some state agencies and all public higher education institutions to immediately reduce their budgets by 5% for both the 2020 academic year and the 2021 academic year in order to offset these projected revenue shortfalls (Price, 2020).

Some of Texas' public institutional systems were already experiencing revenue shortfalls in the hundreds of millions of dollars, with some individual institutions experiencing revenue shortfalls in tens of millions of dollars (Britto, 2020; Justin, 2020; Rouner, 2020). To account for these revenue shortfalls and mandated budget cuts, Texas public 4-year institutions are implementing a variety of cost saving measures, including faculty and staff terminations, furloughs, hiring freezes, and funding reductions related to

instruction, student support initiatives, and athletics. These budgetary reductions came at a time when institutions were also having to make unexpected expenditures, specifically those related to expanded online instruction and on-campus safety measures related to COVID-19 (Ayala, 2020; Britto, 2020; Justin, 2020; Murakami, 2020; Rouner, 2020).

Despite the existence of these challenges, Texas' had outperformed national averages related to enrollment during the COVID-19 global pandemic. According to the National Student Clearinghouse Research Center (2020), total national enrollment at public institutions dropped approximately 3% during the fall 2020 semester when compared to the fall 2019 semester. In Texas, total enrollment dropped 2%. Although this outperforms the national average, it represents a 2.6% reduction in total enrollment compared to Texas' fall 2019 enrollment numbers. Additionally, between 2008-2016 Texas trends above the national average in reductions of total state financial support to public institutions and slightly below average for increase of average tuition at public 4-year institutions (Mitchell et al., 2019).

Although Texas has avoided the extreme hardships felt by other states in the aftermath of the Great Recession and from the challenges associated with COVID-19, institutions statewide have still experienced the challenges associated with reductions in enrollment, increases in tuition, and decreases financial support from the state. The combination of Texas' historical funding trends, the increased burden appropriations reductions have provided to families, and the unexpected, wide-ranging current and projected financial instability the COVID-19 global pandemic on both public institutions and families establishes Texas as a viable location from which to examine institutional executive-level decision-making.

The 32 public 4-year institutions in Texas selected for inclusion in this study embody a diverse representation of institution types, populations, and regions. Institutions are represented from all Texas regions, all major metropolitan areas, and several non-metropolitan areas. Various institutional attributes are represented, including land grant, research-focused, liberal arts, and institutions with specialized missions (i.e., HBCUs, Women's Colleges). Twelve institutions identified as being Minority Serving Institutions, with an additional eleven identified as having significant minority enrollment (NESCent, 2020; U. S. Department of the Interior, 2020). Both independent institutions and those associated with collegiate systems are represented in the study. Enrollment ranges widely, with the largest institution reporting over 68,000 total students and the smallest reporting slightly above 2,000. The average enrollment of the 32 selected institutions is 19,430, with a median of 12,174.

### **Data Collection**

Data collection for this phenomenological primarily came from individual interviews with selected participants (Creswell & Creswell, 2018; Moustakas, 1994). Due to the nature of interview processes, I, the researcher, served as the primary instrument through which data will be collected and analyzed. Additionally, I utilized document analysis to both inform the interview protocol and provide expanded context related to each participants' interview responses, decision-making processes, and the timeline of events related to the institutional response to financial instability (Yagil, 2008).

Document analysis included institutional budget data, media, institutional documentation, policies and procedures, and formal announcements. Interviews were recorded using two digital recording devices and interviews will be transcribed into Microsoft Word files. In

the following sections, I outline my role and positionality as the researcher, the interview protocol, and the process for data collection.

### ***Researcher Role and Positionality***

Based on the early works of Husserl (1931), Moustakas (1994) defined the term the *Epoche*, or *bracketing*, to refer to the setting aside of assumptions and biases in order to effectively examine the phenomenon being studied. Recognizing and setting aside my assumptions and biases was crucial both to the effective implementation of the phenomenological design of this study and my efforts to neither confirm or indulge my positionality during data collection or analysis (Miles & Huberman, 1994; Oren, 2003). My interest in this topic of research stemmed from a belief that the existing financial and operational model of higher education in the United States is unsustainable and, as a result, the decisions made by executive-level administrators during periods of financial instability provide a glimpse into both current institutional values and priorities and what the future of higher education may entail. Because of these beliefs, I had several biases and assumptions to acknowledge.

The foremost assumption I brought to this study is my belief that existing financial and operational models of public education are unsustainable and that a multitude of intersecting realities (e.g., COVID-19 global pandemic, future enrollment declines, decreasing levels of political support, perceptions of society and employers, student costs, diversity issues, and shifts in preferred methods of instruction) require systemic short and long term changes in order for institutions individually, and for higher education in general, to survive and thrive. I also assumed these challenges, collectively, were unavoidable, and believe executive-level administrators' decision-making processes

will emphasize long term minimization and management of financial instability over concrete solutions that lead to a *return to normal*.

Based on these assumptions and my own lived experiences, I acknowledged the bias that I will bring to the study (Creswell & Creswell, 2018). As the primary researcher for this study, I had an inherent interest in the success and completion of the study. Additionally, as a current full-time professional staff member in the field of higher education, I, and many of those near me, have experienced and been negatively affected by situations of institutional financial instability and the decisions made by executive-level administrators in response to it. Finally, I believed that decisions in higher education should be made dispassionately and be based on the greatest good for the greatest number of people while balancing the institution's stated mission, vision, values, and goals with established research, not individual or political agendas.

In an effort to both recognize and set aside my assumptions and biases, I took several steps to ensure my positionality was neither confirmed nor indulged during data collection, analysis, and interpretation (Husserl, 1931; Miles & Huberman, 1994; Moustakas, 1994; Oren, 2003): (a) acknowledged and documented my assumptions relevant to my study and share those assumptions with my dissertation committee prior to data collection (Bloomberg & Volpe, 2008); (b) utilized supplemental data (e.g., budgetary data, media, or other institutional documentation), when available, in order to triangulate and authenticate qualitative data (Lincoln & Guba, 1985); (c) employed the use of member-checking procedures after data collection has been completed in order to verify and provide the opportunity to clarify interviewees' responses (Lincoln & Guba, 1985); (d) utilized a field notebook to document notes, hardships, or limitations related to



the study; and (e) recruited two peer debriefers to utilize during data collection and manuscript drafting in order to provide meaningful feedback on data coding, categorizing, and interpretations (Jordan, 2015; Lincoln & Guba, 1985).

### ***Interview Protocol***

Interviews provide the opportunity to obtain "...rich, vital, substantive descriptions of the co-researcher's [participants'] experience of the phenomenon" (Moustakas, 1994, p. 116). Qualitative interviews can be conducted face-to-face or from a distance utilizing telephone, teleconference, or email technology, and can be conducted with individuals alone or with groups (Creswell & Creswell, 2018; Privitera & Ahlgrim-Delzell, 2019). In addition to potentially providing rich, vital, and substantive data (Moustakas, 1994), interviews also allow participants to provide historical and contextual data, give control of questioning to the researcher, and allow data about phenomena to be obtained even when not directly observed (Creswell & Creswell, 2018; Privitera & Ahlgrim-Delzell, 2019). Nevertheless, interviews are not without limitations. Interviews provide indirect data filtered through the views and potential biases of the interviewees and do not allow information to be gathered in a natural field setting. Additionally, the presence of the researcher may influence what or how information is shared and differences in articulation, perception, or attitude may affect the researcher's interpretation of information (Creswell & Creswell, 2018; Privitera & Ahlgrim-Delzell, 2019).

In order to learn about the lived decision-making experiences of executive-level administrators during a period of financial instability, I employed interviewing as my primary form of data collection. To guide the interviews, I developed a semi-structured

interview protocol containing open-ended questions designed to allow participants to tell their stories related to decision-making during financial instability (Lincoln & Guba, 1985; Privitera & Ahlgrim-Delzell, 2019; Seidman, 2013). Questions were drafted to elicit each executive-level administrator's perceptions, experiences, and insights related to decision-making and resolution of institutional financial instability within a highly complex institutional environment. Upon completion of the interview protocol (see Appendix), I submitted it to my dissertation chair for critical review to ensure the questions are drafted with clarity, conciseness, and in such a way that stimulates thoughtful response from participants.

The interview protocol was based on Spradley's (1979) approach to descriptive questions. Descriptive questions utilize language interpret and understanding settings (Frake, 1964) and aim to elicit a lengthy, detailed, rich response from respondents by providing them with a lengthy, detailed, rich inquiry (Spradley, 1979). There are five major types of descriptive questions: (a) grand tour questions (i.e., seek a broad, sweeping perspective of an experience), (b) mini-tour questions (i.e., seek a broad, but more focused perspective of an experience), (c) example questions (i.e., seek a focused perspective on a specific experience), (d) experience questions (i.e., seek information about an experience related to a specific topic), and (e) native-language questions (i.e., seek to learn terms and phrases of the respondent's culture). Grand tour and mini-tour questions were utilized in order to gain a broad perspective into the insights and experiences of participants in navigating decision-making processes and understanding the various environmental influences that affect them. Example and experience questions were used to illicit deep, specific responses related to decision-making in the current

institutional context. Additionally, example, experience, and native-language questions were used as a follow-up and clarity-seeking questions in participant's responses are unclear or potentially incomplete.

Due to the COVID-19 global pandemic, all interviews took place using teleconference technology (i.e., Zoom, Microsoft Teams). I structured these interviews based on the phenomenological interview approach presented by Seidman (2013). Although Seidman strongly recommends conducting a series of three interviews with all participants, that was not viable with this study's selection of participants. Instead, a single interview was conducted with interview questions structured around the concept of Seidman's three-interview series. These three concepts include first examining the participant's life history related to the topic of research, then investigating the details of their lived experiences, and finally providing opportunities for participants to reflect on the meaning of their experiences. Interviews were scheduled for 60-90 minutes.

### ***Document Analysis***

Utilization of existing data can provide meaningful insight and context to other forms of data collection (Privitera & Ahlgrim-Delzell, 2019; Yagil, 2008). Document analysis can provide insight into the language used by participants, both privately and publicly. In addition, document analysis is able to be accessed at the researcher's convenience, represents data to which participants have given attention, and can provide context and insight to decisions, timelines, and communication strategies of participants (Privitera & Ahlgrim-Delzell, 2019; Yagil, 2008). Document analysis can be limited by accessibility and availability issues, incomplete materials, and challenges related to contextual understanding of the examined materials (Privitera & Ahlgrim-Delzell, 2019).

Document analysis was used to provide context on institutional financial realities and provide context for decision-making processes, outcomes, and communication strategies related to the institutional financial instability.

For the purposes of this study, document analysis focused on items that can provide context on the decision-making processes of executive-level administrators, the influence of environmental or political factors in the decision-making process, and demonstrate the outcomes of such processes and influences. These documents were requested from participants or obtained through publicly shared information as available. Documents for analysis included (a) institutional strategy documents (e.g., memos, strategic plans outlining final decisions), (b) institutional communications (e.g., to students, staff, faculty, or community constituents), and (c) financial documents (e.g., final budgets for divisions and departments). In addition to providing context and tracking for decision-making processes and influences, analyzed documents provided insight for the interview protocol, especially for the creation of example questions (e.g., asking about a perspective on a specific experience) and experience questions (i.e., asking about an experience related to a specific topic).

## **Procedures**

Upon approval of this proposed study, I applied to my university's Institutional Review Board (IRB) requesting permission to initiate the research process and begin data collection. Upon receiving IRB approval, I contacted prospective participants meeting my stated criteria with information about the study and a request to be interviewed. Invitations to participate in the study were sent in three waves. In the first wave, presidents at institutions matching the selection criteria were invited to participate in the

study. In the second wave, institutions whose presidents agreed to participate were removed from the invitation list. Remaining institution's chief financial officer were then extended invitations to participate in the study. Institutions who had neither a president nor chief financial officer respond as part of the first two waves were included in the third wave, which targeted institutional chief academic officers. Each wave spanned approximately 5 business days and started with an email invitation to the prospective participant and any administrative support role that may assist their position. Originally, non-responsive prospective participants in each wave would have been contacted via phone after 5 business days, however, due to high participant response, this was not necessary.

Participants who agree to be interviewed were scheduled for an interview and sent an informed consent form, which they verbally agree to at the onset of their interview. Additionally, participants were asked to provide any documentation related to institutional financial instability and their role in decision-making prior to their interview. These documents were analyzed prior to conducting interviews and served to inform and provide context for the interview protocol and follow up questions. Interviews were recorded, and participants were asked to consent to one of two options for the transcription of their interview: the default option allowed for interview transcription to take place automatically through the teleconference software (i.e., Zoom). Due to the sensitive and highly politicized nature of decision-making during periods of financial instability, participants also had the option of having their interview manually transcribed by the researcher. Once interviews were completed and transcribed, they were sent to the participant for review.

## Data Analysis

Upon completion of data collection and member checking, data analyses was conducted on interview responses following the Interpretative Phenomenological Analysis (IPA) approach. IPA is a qualitative analytical approach that emphasizes individual sense-making of lived experiences and seeks to produce consistent, sophisticated, and nuanced analysis (Alase, 2017; Smith et al., 2009). IPA presents three initial steps to coding that will be utilized for data analysis: (a) creation of a verbatim interview transcript, (b) an initial reading of verbatim transcripts to identify broad themes and repeated words or phrases, and (c) re-reading of verbatim transcripts in order to identify themes and categorizations of participant responses (Alase, 2017; Smith et al., 2009).

IPA highlights three generic cycles of data coding that will be utilized for this study which permit the researcher to methodologically condense participant responses without distorting the meaning of their lived experiences (Alase, 2016, 2017). The first cycle condenses lengthy interview responses into meaningful, but *chunky* statements. This process is intended to make responses more manageable while also providing awareness of key words, repeated phrases, or recurring sentiments. During the second cycle, these chunky statements are further condensed into a few words to represent the essence of the participant's response. Additionally, the second cycle allows for additional identification and consolidation of key words, phrases, and sentiments. Finally, the researcher encapsulates the core essence of the participant's central meaning in one or two words in the third and final generic cycle. Alase (2016) encouraged utilization of an identical data coding process to develop research themes based on participants responses,

which was utilized for this study. Transcript excerpts and their corresponding codes and themes were documented and organized in a Microsoft Excel spreadsheet throughout the three generic cycles of data coding.

Qualitative researchers, and those using IPA, are encouraged to utilize the approaches presented by Moustakas (1994) when analyzing data (Alase, 2017; Creswell & Creswell, 2018). These processes of Epoche, phenomenological reduction, imaginative variation, and synthesis were utilized in data analysis for this study and included: (a) setting aside my own perceptions of the phenomenon to allow seeing it anew; (b) using interview transcripts to record relevant statements made by each participant; (c) identifying invariant meanings of the experience and utilizing verbatim examples; (d) grouping invariant units of meaning into themes; (e) synthesizing themes into a description of the experience; and (f) constructing a composite description of the collective meanings and essences of the experience (Moustakas, 1994).

### **Trustworthiness**

Many qualitative researchers reject the idea of validity and reliability because of their implication that a single external reality exists (Privitera & Ahlgrim-DeLzell, 2019). This mindset is contradictory to the philosophy of the qualitative approach; leading many qualitative researchers instead utilize criteria for trustworthiness as an alternative to using validity and reliability. The four criteria of trustworthiness are transferability, dependability, confirmability, and credibility (Lincoln & Guba, 1985). These criteria, and techniques utilized throughout the research to enhance them, are explained in the following sections.

### ***Transferability***

Transferability parallels the quantitative concept of external validity and is defined as the extent to which findings of research are useful, applicable, or transferable beyond the immediate setting they were observed in (Lincoln & Guba, 1985; Privitera & Ahlgrim-Dezell, 2019). In an effort to increase the transferability of this study, I only interviewed participants who were closely tied to, and have direct experiences with, my research questions. Additionally, I strived to provide rich, vital, and substantive descriptions of what participants experienced, and how they experienced it (Moustakas, 1994).

### ***Dependability***

Dependability is defined as the extent to which findings would be similar if research was repeated in a similar context utilizing similar methods and serves as the quantitative equivalent of reliability (Lincoln & Guba, 1985; Privitera & Ahlgrim-Dezell, 2019). In order to enhance the dependability of this study, processes related to phenomenological design, data collection, and data analysis were thoroughly documented and included in this study (Lincoln & Guba, 1985; Moustakas, 1994). Additionally, a field notebook was kept to in order to process notes and document experienced hardships or limitations in order to benefit future attempts at replication of this study (Lincoln & Guba, 1985).

### ***Confirmability***

Confirmability parallels the quantitative concept of objectivity and is defined as the extent to which findings reflect the context of participant experiences instead of the researcher's viewpoint (Lincoln & Guba, 1985; Privitera & Ahlgrim-Dezell, 2019). In an



effort to increase the confirmability of this study, I: (a) acknowledged and documented my assumptions relevant to the study and shared those assumptions with my dissertation committee prior to data collection (Bloomberg & Volpe, 2008); (b) utilized supplemental data (e.g., budgetary data, meeting notes, media, or other institutional documentation), when available, in order to triangulate and authenticate qualitative data (Lincoln & Guba, 1985); (c) employed the use of member-checking procedures after data collection has been completed in order to verify, and provided the opportunity to clarify, interviewees' responses (Lincoln & Guba, 1985); (d) utilized a field notebook to document notes, hardships, or limitations related to the study; and (e) recruited two peer debriefers to utilize during data collection and manuscript drafting in order to provide meaningful feedback on data coding, categorizing, and interpretations (Jordan, 2015; Lincoln & Guba, 1985).

Lincoln and Guba (1985) noted that allowing analytic review of one's research to a disinterested peer may allow for new avenues of inquiry, exploration, and analysis to be revealed. Hendricks (2006) explained that peer debriefing enhances accuracy of research interpretations and guards against researcher bias. To help clarify the experiences, thoughts, situations, and interpretations that were examined and developed throughout this study, two peer debriefers were utilized throughout the data collection and analysis phases of this study (Hail et al., 2011; Lincoln & Guba, 1985). For the purposes of this study, two peer debriefers were selected from available colleagues, one serving as an executive-level administrator in the area of enrollment management, and another serving as an executive-level administrator in the area of institutional finance and auxiliary services. As previously noted, institutional concerns related to financial instability often

center on enrollment (e.g., student-based revenues) and the financial state (i.e., resource allocation, expenditures) of the institution (Barr & McClellan, 2018; *The Chronicle of Higher Education*, 2019b; Goldstein, 2012). For this reason, executive-level administrators who have direct experience in decision-making related to enrollment and finance are well positioned to provide critical insight, context, and feedback both prior to data collection and once it has been analyzed.

Peer debriefers were provided an outline of the study, a summary of my assumptions and biases, and an overview of their role related to the study. Peer debriefers were asked to review two components of the data collection and analysis process: the interview protocol prior to its utilization and the initial draft of codes and themes developed from participant interview responses. Additionally, peer debriefers were asked to provide context and insight to any data collected that did not initially appear to relate to any of the draft data codes or themes to ensure the participant experiences are being appropriately understood and represented in the study.

### ***Credibility***

Credibility is defined as the extent to which participants would agree that findings reflect the realities of their lived experiences and serves as the quantitative equivalent of internal validity (Lincoln & Guba, 1985; Privitera & Ahlgrim-Delzell, 2019). In order to enhance the credibility of this study, data was collected from a diverse set of participants who have lived experienced related to the research questions (Creswell & Creswell, 2018). Additionally, I employed the use of member-checking procedures after data collection has been completed in order to verify, and provide the opportunity to clarify, interviewees' responses (Lincoln & Guba, 1985).

One final attempt at enhancing the overall trustworthiness of this study is seen in the makeup of the dissertation committee. The committee chair had published research on the topics of crisis management, administrative leadership, and institutional assessment in addition to her experience in leadership position at multiple institutions. Of the remaining two members, one completed research publications in the area of college affordability, finance, and policy while the other served as a college dean with research publications in ethics, educational leadership, and assessment in addition to possessing direct experience with executive-level decision making. These research and academic perspectives, coupled with the administrative perspectives of the aforementioned peer reviewers, allowed this dissertation committee and support personnel to closely resemble the shared governance model of decision-making presented by Eckel (2000). These collective perspectives, experiences, and areas of research expertise provided multiple critical perspectives throughout the study in an effort to improve the overall trustworthiness of the study.

### **Summary**

This chapter provided a description of the research methods that were utilized to implement this study. A qualitative phenomenological study design was used to explore the experiences of executive-level administrators as they navigated decision-making processes during a period of institutional financial instability. Data was collected primarily through semi-structured interviews, with document analysis serving as a secondary form of data collection. Multiple approaches were implemented in an effort to improve the trustworthiness of the study. Bolman and Deal's (2017) four frame model served to focus the analysis related to executive-level administrators' approaches to

decision-making during periods of financial instability. Findings that emerged from this qualitative phenomenological study will be discussed in Chapter IV, while discussion, implications, and recommendations based on the analyses will be presented in Chapter V.

## CHAPTER IV

### Presentation and Analysis of Data

#### Overview

The purpose of this phenomenological study was to explore the decision-making processes of executive-level administrators during periods of institutional financial instability in the state of Texas. An in-depth exploration of the experiences, perceptions, values, and insights of participants revealed decision-making processes at institutions experiencing financial instability to be complex, nuanced, and influenced by a wide range of internal and external factors. In this chapter, I will provide a review of this study's methods in practice, investigate the research questions through analysis of the interview protocol, present and analyze codes and themes revealed during data collection, and contextualize the influence of the Bronfenbrenner's (1979) ecological systems theory and Bolman and Deal's (2017) four frame model on participants decision-making processes. Two research questions guided this study and were as follows:

1. How do executive-level administrators at 4-year public institutions make decisions during periods of institutional financial instability in Texas?
2. How do the decision-making processes of executive-level administrators at 4-year public institutions during periods of institutional financial instability differ from decision-making processes during periods of institutional financial stability in Texas?

## Methods in Practice

The Texas Higher Education Coordinating Board website and Accountability System identified 41 public 4-year institutions operating in the state of Texas (THECB Accountability System, 2020; Texas Higher Education Data, 2020). After comparing the two datasets, 35 institutions were selected for potential inclusion in this study. Each of the six institutions removed were reported to the state as separate institutional entities but were not actually public 4-year institutions (e.g., separate medical schools or satellite campuses associated with parent campuses). A combination of institutional ranking data (U. S. Department of Education, 2020), independent financial rating agencies (Moody's, 2020; Wood, 2020), institutional stress assessment data (Butrymowicz & D'Amato, 2020), and public media were used to identify institutions that met the definition of *financially unstable* being used in this study. After reviewing the data sources, 32 public 4-year institutions were selected for inclusion in the study.

For institutions meeting the stated criteria for inclusion, there were a total of 95 potential participants: 32 presidents, 32 chief financial officers (CFOs), and 31 chief academic officers (CAOs)<sup>3</sup>. Upon receiving feedback from peer debriefers regarding my interview protocol and communication strategy, and receiving IRB approval, I commenced participant recruitment by first contacting the presidents at all 32 qualifying institutions via email. Due to the unexpected high response from presidents after the first invitation, I abstained from sending a follow-up request to interview the unresponsive presidents after 5 business days. I instead invited the CFOs from the remaining 28 institutions that were not yet represented in the study. Again, due to an unexpected high

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<sup>3</sup> At the time of participant selection, one institution had a vacancy in the Provost role. According to the institution's website, interim duties were currently assigned to the institution's President.

response from the CFOs, I abstained from sending a follow-up request to interview the unresponsive CFOs after 5 business days. Instead, I invited the CAOs from the remaining 21 institutions that were not yet represented in the study. Due to low response from the CAOs, a follow-up request was sent after 5 business days. Out of the potential 95 participants, 82 received an invitation to participate in the study and a total of 13 agreed to participate: four presidents, seven CFOs, and two CAOs.

Due to the COVID-19 global pandemic and the need for safety measures such as social distancing, all interviews were conducted using digital technology<sup>4</sup>. Participants were provided an overview of the study, IRB-approved consent information, and the interview protocol upon their agreement to participate. To protect the identities of the participants, several measures were taken, including: (a) verbal-only consent confirmation, (b) utilization of various security settings for the digital interview (e.g., password protected, waiting room enabled, randomly generated meeting ID), (c) manual transcription of the interview, (d) removal of identifying information from the verbatim interview transcript, and (e) the opportunity for participants to review and edit the verbatim transcript prior to data analysis. Although document analysis was originally anticipated to provide contextualization for data collected in interviews, documents, when available, contributed minimally to understanding the process by which decisions were made. Consequently, document analysis was not a substantive part of data analysis.

Interpretative Phenomenological Analysis (IPA) was used for data coding and analysis. IPA is a qualitative analytical approach that emphasizes individual sense-making of lived experiences and seeks to produce consistent, sophisticated, and nuanced

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<sup>4</sup> 12 on Zoom, 1 on Microsoft Teams

analysis (Alase, 2017; Smith et al., 2009). Qualitative researchers, and those using IPA, are encouraged to utilize the *Epoche*, or *bracketing*, to refer to the setting aside of assumptions and biases in order to effectively examine the phenomenon being studied (Alase, 2017; Creswell & Creswell, 2018; Moustakas, 1994). Prior to the commencement of data collection, I bracketed my personal opinions, assumptions, biases, and expectations in a journal. Then, I discussed these perceptions with both my dissertation committee and peer debriefers to set myself apart from these preconceived notions during data collection and analysis (Moustakas, 1994). Throughout data collection and analysis, I utilized a reflexive journal to bring additional mindfulness and intentionality to my study while also attempting to reduce the influence of my preconceived opinions, assumptions, biases, and expectations on collected data. Two peer debriefers were utilized throughout data coding and analysis in order to provide additional context to any interpretation of data related to my acknowledged preconceived notions of the topic, especially content related to the sustainability of the current funding model of public higher education.

### **Interview Protocol Presentation and Analysis**

Due to the complex nature of the participants' responses to the interview protocol, data presentation and analysis were examined sequentially since the interview questions were designed with each question examining a new layer of decision-making based on the literature review. The presentation and analysis of data are followed by a more integrated examination of codes, themes, and the relevance of Bronfenbrenner's (1979) and Bolman and Deal's (2017) theories on decision-making. The first research question of this study sought to examine the decision-making processes of executive-level



administrators in Texas whose institutions are experiencing financial instability. The semi-structured interview protocol (see Appendix) was primarily focused on the first research question, with seven of the nine interview questions directly addressing it.

***Perceptions: Participant and Institution Profiles, Values, and Perception of Role***

Interview questions 1 through 7 served as the focal point of the interview protocol and were intended to begin and end the interview in similar cognitive locations. Question one ultimately served as the participant's opportunity to provide a self-profile of their experiences and attitudes related to leadership and decision-making, while question seven asked about their personal principles, values, philosophies, and perspectives that guide their decision-making. Many participants also utilized question one to provide a profile of the institutions they were currently serving in Texas. In an effort to protect the identity of both the individual participants and their institutions, the following profile information was left intentionally broad.

**Participant Profiles.** The four presidents, seven CFOs, and two CAOs who participated in the study possessed more than 440 combined years of professional experience in higher education. Their professional experiences spanned across higher education, K-12 education, non-profit, governmental, and private-sector roles in over 44 institutions of higher learning across 14 states and three countries. In addition to their current role as a president, CFO, or CAO, the participants had also served in other institutional roles throughout their careers including, but not limited to, financial management (e.g., comptroller, financial analyst, accountant, payroll, business operations, auditing), academic affairs (e.g., tenure and non-tenure track faculty; academic, undergraduate, and graduate school dean), student affairs (e.g., student

activities, residence life), and various other executive roles. Additionally, participants had served as representatives on faculty or staff governing bodies, were experienced leaders within local, regional, and national professional organizations, and had published hundreds of peer-reviewed and op-ed pieces in academic journals and popular media. In addition to their high quantity of academic credentials, almost all participants engaged ongoing education and professional development programs to deepen their knowledge and skills pertaining to executive leadership, crisis management, project management, and communication.

**Institutional Profiles.** The 13 institutions represented in this study came predominately from the north, east, and southern regions of Texas. The institutions were located in a variety of city, suburban, town, and rural environments. Total student enrollment at the institutions ranged from approximately 5,000 to over 40,000<sup>5</sup>. For the purposes of this study, institutional size was labeled as small (i.e., total enrollment less than 10,000), medium (i.e., total enrollment between 10,000 and 25,000), and large (i.e., total enrollment more than 25,000). Using these designations, five small institutions, four medium institutions, and four large institutions were included in this study. Annual all-funds budgets for the 2019-2020 fiscal year ranged from approximately \$130 million to over \$1 billion (NCES, 2021). For the purposes of this study, institution budget size was labeled as small (i.e., an all-funds budget less than \$200 million), medium (i.e., an all-funds budget between \$200 and \$500 million), and large (i.e., an all-funds budget of over \$500 million). For all institutions, the labels for enrollment size and budget size were identical. Six collegiate systems that contained public 4-year universities are located

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<sup>5</sup> Enrollment data is based on fall 2020 data reported on institutional websites.

within the state of Texas. All six were represented in this study along with one institution not affiliated with any system. Institutional pseudonyms were randomly assigned to each of the participating institutions and were based on national parks and wildlife refuges located within the state of Texas. Although these pseudonyms reference geographic locations in Texas, they do not refer to actual locations of the institutions. Table 1 provides a summary of the participant and institutional profiles included in this study.

**Table 1**

*Summary of Participant and Institutional Profiles*

Participant Role	Participant Pseudonym	Institution Pseudonym	Institution and Budget Size
CAO	Adama	Hagerman University	Medium
CAO	Kennedy	Laguna University	Small
CFO	Cohen	Anahuac University	Large
CFO	Roland	Aransas University	Small
CFO	Anderson	Big Bend University	Large
CFO	Sawyer	Brazoria University	Medium
CFO	Bellamy	Buffalo University	Small
CFO	Harlow	Guadalupe University	Large
CFO	Beckett	Johnson University	Large
President	Finley	Muleshoe University	Medium
President	Marshall	San Bernard University	Small
President	Lincoln	Santa Ana University	Medium
President	Duncan	Texas Point University	Small

### *Participant Principles, Values, Philosophies, and Perspectives*

In discussing personal perceptions that informed their decision-making, three perspectives were mentioned by all 13 participants. These consensus perspectives are summarized in Table 2.

**Table 2**

#### *Consensus Decision-Making Perspectives of Participants*

Perspective	Participant	Associated Quote
Relationship Building	Cohen	“Over the course of my career I've spent most of my time trying to build coalitions and get people to coalesce around things rather than what might [divide us].”
Mission Focus	Cohen	The mission will be the last thing that's jeopardized. When we are unsure, we ask: Is this the mission? Is this going to make the mission better or sustain it?
Student Focus	Finley	To me, that is it the core of everything we do. The buildings don't mean anything without students in them. And the campus means nothing without a student body. Nothing else matters if we're not aligned with and committed to the student experience.

All presidents highlighted the importance of developing and maintaining positive off-campus relationships, such as those with community leaders, local legislators, and their institution's alumni foundation. Although some off-campus relationships were discussed by CFOs and CAOs (e.g., politicians), their emphasis was primarily focused on-campus. Adama noted:

When I took on the Provost role early on, I learned that my success was going to depend locally on my relationships with people in finance and administration. So I decided right there and then, I'm going to make the CFO my best friend.

Similarly, several CFOs acknowledged the importance of having developed relationships not only with their institution's CAO, but also other leaders within academic affairs (i.e., deans, department chairs, faculty senate representatives), noting that building strong relationships across academic affairs, both among individuals and across departments, was critical for the successful execution of their roles and responsibilities.

Beckett emphasized the heightened importance of relationships during periods of financial instability:

What I've learned about decision-making during financial hardship is that you must involve everybody inside the organization if you're going to be effective in righting the ship. . . . you need to organize the institution around the urgency for getting that done. A lot of people don't understand when you're in a budget circumstance...they don't really see the urgency if there's nothing affecting them directly. And so you have to develop a strong case for why you need to do what you do, and you need to get as low in the organization as you can about the work. So to me, when you're in financial exigency it's everybody's problem, but it's also everybody's solution.

Several participants noted that if positive relationships are not established prior to the onset of financial instability, it is difficult to establish them once the uncertainty, fear, and sense of self-preservation associated with instability has set in.

The second concept highlighted the importance of one's institutional mission as a primary influencer on individual principles, values, philosophies, and perspectives. Although all participants shared similar sentiments related to the importance of the mission as an essential focal point for decision-making, some acknowledged the

challenges presented by typically broad mission statements. This point was stressed by Beckett: “a lot of mission statements say we're going to do as much good as we can for as many people as we can with all the money we can find,” and Cohen:

Just think about a mission statement for a typical public university. It's probably three paragraphs long and it covers everything from internationalism to diversity to excellence. So you know, it's hard to boil that down when you say the mission what exactly are we talking about anyway?

In attempting to address overly broad interpretations of various institutional statements (i.e., mission, vision, values, purpose statements), many participants looked to their institution's president for interpretation and prioritization. Participants noted that during periods of instability or crisis, conversations about mission-driven priorities were frequent to ensure decision-making processes were in alignment not only with current institutional needs, but also the institution's mission.

The final personal perspective shared by all participants emphasized the student-centric nature of their values and decision-making. This value was perhaps best summarized by Lincoln:

My hope is that every decision that gets made will eventually be assessed by its ultimate value to students. I constantly ask the question, what's the impact of this on students? How is this going to impact our students positively or negatively?

Interestingly, I have never heard anybody say students aren't important. Now you may have different perspectives, but viewing those discussions through the lens of student value helps focus discussion. I think when you can stay focused on that,

legitimately focused on it, I really do believe it helps it helps direct decision making.

Other participants emphasized different facets of the student experience as being most critical, such as providing an inclusive sense of belonging, adapting operational structures to student needs, providing resources for student wellbeing (e.g., mental health services, food pantries, academic support), and prioritizing funds for scholarships and accessibility. These priorities and student-focused goals were coupled with participant's understanding that, ultimately, limited resources make it that there is only so much an institution can do when it comes to student support. Several participants acknowledged that resources utilized today will not be there tomorrow, therefore, especially during crises, institutions must find balance between the immediate-, short-, and long-term impact of their student support initiatives.

Several other noteworthy principles, values, philosophies, and perspectives were shared without consensus from the group. For example, among CFOs, personal values and philosophies related to transparency, accountability, and integrity were frequently mentioned. Participants noted their values and perspectives did not generally change in response to financial instability, but several did note two additional values in this context.

The first involved shared, mutual sacrifice. Anderson articulated this concept, explaining:

There's this perception among the vice presidents that they bear the brunt of [budget] cuts, it's important to let them know colleges are impacted as well. It's really important for everybody to know that in bad times everybody is sacrificing and making do with less. No one likes doing that. But if they know everybody else is sacrificing as well it makes it a little bit easier.

Adama echoed this sentiment, and although they hesitate to use the phrase *shared pain* in reference to budget cuts, they acknowledge that people want to know these cuts, and the pain that come from them, are “somewhat equitable.” The second value related to the dichotomy between perceiving the onset of financial instability as a short-term versus long-term problem. Beckett observed:

I've learned the immediate, serious set of circumstances is actually not as urgent as the long-term response. There's gets to be a lot of energy from a Board of Regents and the institution's president about getting things fixed right away. . . . but don't let those sort of circumstances lead you and direct you. [You must ask yourself], what would you do if this wasn't here? What would be the things we'd be focusing on? Where would we be investing? [Where is there] evidence of a strong program?

When engaging in the process of budget cutting, participant's foremost focus varied. For some, their attention centered on which programs to cut, while others emphasized programs to protect first, then examined programs to cut. Many highlighted the importance of the long-term implications of their decisions and the need to what decisions, and the financial commitments that stem from them, look like several years in the future.

Some perspectives, although only shared by a single participant, are noteworthy. One participant highlighted the importance of humility, as well as documenting essential information related to core policies, procedures, and funding avenues. Another argued that transparent, honest, direct communication was essential to their leadership approach and expressed the importance of leaders not making promises they could not keep. The



importance of employee compensation as a retention effort was also discussed, as was the importance of executive-level administrators asking appropriate, insightful questions to address the complex challenges they faced. Some participants mentioned keeping one's ego in check, and finding humor and levity amongst difficulty and hardship, as being essential to navigating instability and crisis. This conglomeration of shared and independent principles, values, philosophies, and perspectives accurately represented the diversity of experiences and decision-making approaches possessed by participants in this study.

**Initial Summary of Participant Roles.** In reviewing the various perspectives reported by participants, one can begin to see commonalities in their leadership and decision-making approach based on their professional role. Although these roles will be explored in further detail later in Chapter IV, they warrant a brief reference here. Throughout their responses, presidents conveyed a broader sense of the big picture of their institution, often making reference to large scale ideas, institutional identity and brand, on- and off-campus stakeholders, as well as acknowledging that in most cases final decision-making authority rests largely with them.

CFOs often self-identified as information analysts, data providers, financial forecasters, and advisors to various areas of campus who shouldered responsibility for determining their institution's state of financial wellbeing. Additionally, CFOs described their role as being highly advisory, but occasionally serving as the primary decision-maker in arenas related to institutional finances. This balance between advisor and decision-maker was articulated best by Beckett, "I never want to pretend to be able to make a decision without the president, but the truth is, when our major [financial]

decisions are made, I present a possible solution and then [others] kind of have to prove my solution wrong for it not to work.”

CAOs explained their role as being the senior leader for all academic initiatives on campus. There also appeared to be a highly supervisory role related to their position, as almost all institutional deans reported directly to them or to someone in their office. Although both CAOs made reference to not making decisions in a vacuum, both articulated fairly broad ability to make decisions related to a wide spectrum of academically-focused topics. Both Adama and Kennedy noted that in some areas they wielded substantial decision-making authority (e.g., pertaining academic unit budgets, instructional modality, tenure processes) whereas in others, they might make a recommendation or seek approval from their president or CFO (e.g., utilization of reserve funds).

It is important to highlight that all three positions, as well as their roles and responsibilities, are highly interconnected. This aligns strongly with the concept of shared governance as presented by Eckel (2000, 2002), in which the governance of the institution is navigated through a complex, collaborative relationship that involves a multitude of entities that include the institution’s president, CFO, and CAO. Although each of the aforementioned positions are directly connected to a specific area of the institution, they also provide meaningful influence to other areas.

### ***Participant Perceptions of State Financial Realities***

Interview question 2 asked for participant’s perspectives on the current realities faced by public 4-year institutions in the state of Texas and what influence, if any, COVID-19 has had on those realities. It is important to note participants were asked this

question between mid-December 2020 and early January 2021, during which time the state of Texas was not only experiencing a substantial spike in COVID-19 cases, but also preparing to start the state’s legislative session where funding for state programs, including higher education, would be determined for the next two years<sup>6</sup>.

**Perspectives of State.** In an effort to contextualize their responses, many participants provided their perspectives on the structure and system Texas uses for funding, as well as their perceptions of statewide public higher education in general. Their perspectives provided meaningful context to future discussions regarding decision-making. From a broad perspective, participants conveyed mixed ideas regarding the current state of public higher education in Texas. There was general agreement that Texas public 4-year institutions fall into a hierarchy, where some institutions were performing well and were better insulated from some state challenges, while others were struggling. Broadly, state flagships, institutions with a reputable brand, and those closer to metropolitan areas were considered to be “doing better” while small, regional institutions had to more carefully manage the current and ongoing financial challenges caused by COVID-19 and the state’s response to it. Participants acknowledged, however, that in a state the size of Texas, with its large metropolitan and rural areas, it is difficult to provide a one-size-fits-all definition of higher education and its current standing.

Several participants highlighted the importance and benefits of Texas’ biennial funding model. These perceptions were summarized by Anderson:

One thing nice about Texas compared a lot of states is we have sessions only every other year. So we do have at least two years of predictability with respect to

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<sup>6</sup> Texas operates on the biennial legislative and funding cycle. State legislators meet once every two years and establish a 2-year budget for state services.

our funding from the state, a lot of states and a lot of my colleagues really only get a year to year notice on what they do.

Other participants noted that receiving 2 years of funding data during a period of state-wide financial challenges provides a firmer foundation from which to react to instability, strategically plan, and project for the future. Additionally, the biennial funding model allows executive-level administrators more time to make certain decisions, which has the potential to improve understanding of current challenges, gather higher quality information, and better project the long-term impact of decisions.

Several participants compared their perceptions and experiences within Texas to their experiences in other states. Some perspectives highlighted how institutions in Texas benefit when compared to out of state peers. One example highlighted Texas' limited "demographics squeeze" amongst traditionally college-aged students when compared to other states. Participants noted that while other states are seeing fewer traditionally aged college students to recruit to their institutions, Texas is the "land of the plenty" and not experiencing these same decreases due to the large population of the state. Another observed that Texas has cut higher education funding at a lower rate than many other states and complimented Texas' approach to higher education financial management.

Marshall summarized these perspectives, stating:

I find the financial management of this state very solid and very affirming. They are very open with information and there seems to be really great communication between various offices. The state Comptroller comes out and talks about things, the legislative budget board takes our testimony. It doesn't seem to govern financial decisions by whim as much as you see in some states. It's much more by

outcomes. They really expect performance from us and they shape our performance by how they fund us.

Some participants highlighted challenges that existed within Texas more than other states. Several acknowledged that the lack of a demographics squeeze in Texas has led to increased competition from out-of-state institutions. Additionally, several participants highlighted the importance of international student enrollment as being considerably more important at their current institutions than it had been when employed in other states. These participants explained that revenue from international students had declined over the last few years, due in part to various health and politically motivated travel bans, causing increased financial instability at their institutions.

Ultimately, opinions on the current financial realities for public 4-year universities in Texas somewhat varied across the 13 participants. While all indicated the situation for public institutions in Texas was very challenging currently, there was division between perceptions of severity. For some, the existing financial challenges, coupled with the impact of COVID-19, has led to the worst financial situation in Texas' history. Cohen explained:

I think it is the worst we've ever seen. I'm pretty sure it is. There's always been years where there was this problem or that, but I think that the difference now is everything that can go wrong has gone wrong. We had to change our teaching modalities, student enrollment was jeopardized, aid funding was jeopardized, international student enrollment was jeopardized, auxiliary enterprises were jeopardized. In any given year you may have one or two of those things you're having to worry about, but this is you know, truly the perfect storm. I mean

everything that is a risk factor to us is at risk right now, and so that instability, in a business, in an industry, that is built on stability, [makes things difficult]. I think this is the worst we've seen and, unfortunately, it's not over with yet.

Although several participants echoed similar attitudes, others perceived the current financial challenges in Texas as serious, but not dissimilar to past financial challenges, in what has historically been a volatile political and economic environment. Kennedy's perspective was echoed by several participants:

I would guess they're no different than they were 30 years ago or 15 years ago. We have a very short memory. We tend to compress history. So we think that everything is happening now is unprecedented. No, it's not. During the 2008-2009 economic downturn, universities were hit really hard. I think most Texas universities probably lost 10% of their funding or more. Probably more but they got through it. The economic crisis of 1989. They got through it. We always think it's brand new and we tend to panic. The sky is falling, sure, but it was falling 100 years ago.

Other participants acknowledged that financial instability brought on by COVID-19 was different in that it included a focus on the physical health and wellness of students, faculty, and staff that prior periods of financial instability did not encompass. Others stated that they never believed their institution was well-resourced, so current challenges are simply "more of the same." These participants, however, did acknowledge that the combination of state budget cuts, increased cost of attendance, demographic shifts, and the public's loss of confidence in higher education may be coalescing into a perfect storm not previously experienced in higher education.

**2021 Legislative Session and Other Uncertainties.** While discussing Texas' realities for higher education, all 13 participants mentioned the 2021 legislative session as a meaningful determiner of how their institutions will manage the ongoing financial and operational disruption exacerbated by COVID-19. According to Pollock (2020), Texas will generate 11.5 billion less in revenue than originally projected due to the COVID-19 outbreak. Thus, the 2020-2021 budget year is anticipated to close with a deficit of approximately \$5 billion in August 2021. In May 2020, Texas political leaders instructed some state agencies and all public higher education institutions to immediately reduce their budgets by 5% for both the 2019-2020 and 2020-2021 fiscal years in order to offset these projected revenue shortfalls (Price, 2020). For institutions included in this study, a 5% budget cut resulted in funding losses ranging from an estimated \$1.5 million to over \$20 million in each of the aforementioned fiscal years. Nine institutions received cuts of up to \$4 million dollars, three institutions received cuts between \$4 and \$10 million, and one institution received a cut of more than \$20 million (NCES, 2021).

As a result of these realities, participant perceptions of the 2021 legislative session were unenthusiastic. Participants referred to the upcoming session as “pretty tough” and described the funding outcome for higher education as “the big wildcard.”

The perspective shared by Cohen reflected the concerns of several participants:

When [state leaders] come into session in January, I think we're going to see one of the most difficult legislative sessions, maybe in my career. Because if you think about the revenue streams that Texas relies on, so oil, depressed, sales tax, depressed, tourism, depressed, hotel occupancy tax, non-existent. All the main revenue streams are gone. Just like we are looking at in the university setting the

state is seeing the same thing. That's got to roll downhill to cuts to higher education. So when that, when that shoe falls I believe, that'll be the bottom for us. We'll know that that's as bad as it gets and then we'll have to build back up from there. That is the last unknown we have. What is going to happen with our state funding?

In addition to concerns related to direct state funding, participants mentioned several additional uncertainties tied to the future of state funding and other revenue sources. One such uncertainty related to one-time appropriation allotments which, in the past, were provided to institutions experiencing a crisis (e.g., hurricane); participants were uncertain if such an allotment would be provided due to COVID-19. Others expressed concern about ongoing border closures, travel bans, and the revenue-impact those policies have on recruiting and enrolling international students.

Participants additionally highlighted that the Texas' formula funding model is weighted heavily on institutional enrollment growth, and posed the question as to whether institutions that experienced enrollment reduction due to COVID-19 will be additionally penalized in the form of reduced funding. Finally, several participants acknowledged that state legislators will be tasked with responding to multiple challenges across various functions of the state budget including K-12 education, public assistance, healthcare, corrections, transportation, and natural disaster response. Participants expressed concern and uncertainty about where higher education funding will factor into these multiple, competing priorities, especially given that higher education institutions have the ability to pursue alternative revenue sources (e.g., tuition, grants).



Tuition revenue was also a frequent topic of discussion when talking about the current and future financial uncertainties faced by Texas public 4-year universities.

Despite Texas institutions' ability to set their own tuition rates, that ability comes with highly scrutinized political realities. Anderson noted:

Tuition is a huge political issue right now because there is lots and lots of pressure for all universities to keep their costs affordable for students. Essentially what we're doing right now, most universities are just increasing their tuition rates by the cost of inflation. So given that those are two big sources [of revenue] (i.e., appropriations and tuition), there are some real uncertainties.

Several participants shared that during periods of financial instability, increases in tuition and fees can help offset revenue loss from other areas (e.g., state appropriations, auxiliary services). However, the political climate of Texas limits this ability for many public institutions, especially those who serve larger populations of first generation and non-traditional students, or students who come from lower socioeconomic backgrounds.

Given the perceived impact of COVID-19 on Texas' students and their families, some participants expressed concerns that tuition increases of any amount, even those to coincide with inflation, could be perceived negatively by state political leaders and the public.

**Perspectives of COVID-19.** Due to the aforementioned scope of COVID-19's disruption across higher education, particularly as it related to the finances of higher education and decision-making in response to it, all participants were asked to share their perceptions of COVID-19's impact on financial instability affecting higher education statewide and at their respective institutions. Responses to this follow up question echoed

the prior responses related to the current financial realities for higher education in Texas. However, all 13 participants appeared to agree on one perspective: that COVID-19, while creating various new challenges, particularly related to instruction and student service modality, primarily amplified and complicated financial challenges institutions were already experiencing. In talking about navigating challenges related to student enrollment prior to COVID-19, Lincoln shared:

These changes were in effect long before COVID. What COVID turned out to be for these kinds of changes, I think, were like steroids. All of a sudden the economic uncertainty of the times that we're in caused people to be a little bit more careful about decisions. Maybe not enroll just because there was nothing to do. That becomes especially pressing if a family, one or both of the members of the family that support the student [loses their job] so they can't afford to go to school. [They might decide] it's not a good time for me to go to school, I need to find a way to create income for my family. I guess all this to say is that college has increasingly become an important economic decision, and COVID is affecting those decisions right now in serious ways.

Other participants echoed these sentiments and expressed concern about the influence of COVID-19 on college attendance decisions from first generation, Pell-eligible, low income, and transfer students. Several participants reported a decrease in FASFA paperwork, which allows requests of federal grants, work-study, and loans, being submitted to their institutions from these populations of students. Furthermore, participants observed that COVID-19 was the core reason the state reduced the 2020 and 2021 academic year appropriation allotments by 5% each. Collectively, participants

agreed that COVID-19 served primarily as an amplifier to existing challenges their institutions, and the state of Texas, were already facing.

***State of the Institution: Participant Perspectives of Institutional Realities***

Interview question 3 asked for participants to discuss the financial realities their institution was currently experiencing. Most participants provided a unique perspective on the realities and challenges facing their institutions that strongly informed the decision-making processes implemented in response to them. The following sub-sections provide participant's responses to interview question 3.

**Sawyer: Brazoria University.** Sawyer described their institution as having been “very, very fortunate”. Despite the state mandating a 5% budget cut, Brazoria University, in anticipation of possible future cuts, opted to cut 10% for fiscal year 2020 and fiscal year 2021 budgets. In addition, they prepared for a 4% decline in enrollment. Overall, these anticipated cuts totaled an approximate \$18 million dollar revenue reduction over two fiscal years. Sawyer reported that “these projections paid off in spades”. To date, the state had not cut any additional funding, and although Brazoria University's enrollment did decline, it declined by less than 1%. Overall, Brazoria University ended up generating about \$12 million more in revenue than was budgeted for fiscal year 2020.

**Anderson: Big Bend University.** Anderson acknowledged that Big Bend University invested heavily in technology-related resources in response to the shift to remote instruction. Additional costs related to facilities (e.g., cleaning, sanitizing, signage) were also implemented, as well as significant investments in faculty training for online instruction. Unlike many other participants, however, Anderson explained that the most significant costs were not the costs directly associated with COVID-19, but instead

revenue losses from various auxiliary services (e.g., housing, dining, and parking) due to refunds and a significant lack of service utilization. Big Bend University was able to offset some of these direct costs and lost revenues due to their “fairly significant endowment”, but Anderson acknowledged that these financial challenges had created as “little bit of a challenge” that was continuing to evolve and worsen.

**Beckett: Johnson University.** Johnson University ended fiscal year 2020 in the black and was able to put some money into their fund balance, but acknowledged approximately \$60 million dollars in revenue were lost due to a lack of student engagement with various auxiliary services including food service, residence life, health services, and summer camps. Despite record enrollment for fall 2020, the institution was preparing for a significant increase in enrollment deferment in spring 2021, especially from incoming freshmen who were willing to wait to have a face-to-face experience.

**Bellamy: Buffalo University.** Bellamy shared that, in 2012, their institution began recruiting heavily in international markets. Despite initial success, the Trump-era border closures between 2016 and 2019 restricted Buffalo University’s ability to recruit international students, which had a negative impact on institutional revenues. Then, the emergence of COVID-19 in 2020 magnified those restrictions and revenue challenges. Bellamy openly questioned whether Buffalo University lost sight of their primary market in their region of Texas. Due to Texas’ emphasis on growth in their funding formula model, the loss of international student enrollment has created a negative double-impact. First, because of the reduced international student revenue, and second because the overall decline in enrollment negatively affects state appropriations. To further complicate these challenges, out-of-state institutions have begun recruiting heavily in

Buffalo University's region, causing increased competition for student enrollment. Bellamy projected future state appropriations would be reduced by millions of dollars during the foreseeable future as a result of these challenges, during which time the institution will have to utilize their funding reserves in order to get back on stronger financial ground.

**Cohen: Anahuac University.** Going into 2020, Anahuac University had experienced an operating deficit for three straight years and, according to Cohen, the institution had made little progress on addressing that reality. Additionally, the institution was experiencing declining international student enrollment and an unabated rise in costs related to academic scholarships. Cohen noted, "We were effectively driving freshman enrollment with full ride scholarships. You're talking about living on .55 cents out of every dollar. So, we're driving enrollment but the net funding available to us is less." When COVID-19 emerged in early 2020, existing challenges, such as reductions in international student enrollment, were exacerbated, while other financial hardships, such as decreased revenues from housing, the state, and other auxiliary services, emerged. This has left Anahuac University with a number of challenging financial realities it must now manage. Cohen admitted, "I couldn't name a public university that has that kind of resources that they just ignore these kinds of problems."

**Duncan: Texas Point University.** Duncan reported that Texas Point University was "in pretty good shape." The institution finished fiscal year 2020 in the black and was able to make significant investments back into the university. Due to being a commuter-heavy institution, Texas Point University had not experienced many of the revenue challenges articulated by other institutions. Duncan explained why:

A lot of universities, larger universities have suffered because of their complexity. During this time, they have foreign students. We have no foreign students. They rely on a lot of auxiliary income. We don't. So because of our lack of a complexity, we've gotten through this maybe better than a lot, and we've managed to grow because we had been focusing on a local population and we continue to focus on the same population. We really haven't had to change our strategy.

Duncan also shared that Texas Point University was experiencing continued enrollment growth despite COVID-19.

**Finley: Muleshoe University.** Finley discussed the financial realities of their institution through the lens of the past. Muleshoe University's financial state was being highly affected by past decisions related to institutional priorities, operational approach, asset structure, and debt servicing that had become cumbersome due to inaccurate forecasting. As a result, Muleshoe University had not invested in infrastructure maintenance at the level required, and was currently addressing several challenges related to sewers, water, electrical, and HVAC systems. These challenges were then exacerbated by several weather events that caused expensive damages to the campus and temporarily lowered enrollment. According to Finley, these existing challenges have been further complicated by the emergence of COVID-19.

**Marshall: San Bernard University.** Marshall focused heavily on the impact of international student enrollment on San Bernard University's financial situation. Approximately 10% of their student population was from international student enrollment, and COVID-19 prevented many of those students from maintaining their enrollment. To further complicate this challenge, San Bernard University has enrollment

and payment commitments from some countries as part of their international student recruitment strategy. Marshall shared that some countries had defaulted on their financial commitment to the institution, with one country currently owing \$2.5 million in unpaid tuition and fees for their students. Additionally, San Bernard University has chosen to continue educating these students, causing a double-cost to the university for those students: the cost of educating them and the lost revenue from their home countries. In addition to this challenge, Marshall acknowledged meaningful reductions to their on-campus housing population, which had also affected auxiliary revenues.

**Lincoln: Santa Ana University.** Lincoln noted that a significant portion of institutional resources were committed to COVID-19 response, including investments related to COVID testing, extra cleaning, safe food preparation, and social distancing equipment. Additionally, significant investments were made in hardware, software, and training to account for the shift to online instruction. Lincoln noted that these investments had affected their resource flows, but that strong enrollment has prevented these unexpected costs from causing financial problems for Santa Ana University.

**Institutional Reality Summary.** Four commonalities existed in the discussion of participant assessment of their institution's financial situation. The first was the 5% state appropriations cut to the 2019-2020 and 2020-2021 fiscal years, which was a multi-million-dollar reduction for most of the institutions included in this study. The second involved a sharp reduction of auxiliary revenue from sources such as residence life, food service, parking, health services, and recreational fees. For several institutions, auxiliary revenues were also negatively impacted by a large-scale reduction of collegiate sports during the summer and fall of 2020. The lack of collegiate sports essentially eliminated

athletics-based revenue of ticket sales, concessions, sponsorships, advertisements, and campus-to-campus payments for scheduled sporting events. These lost, athletics-based revenue streams can have a large impact on institutional finances, as noted by Beckett:

We were going to play at [institution redacted] and they were going to pay us \$1.3 million to come down there and play. They canceled that game. We're still deciding whether or not they're going to pay that 1.3 million. There's a difference of opinion between institutions right now.

The third commonality related to the impact international student enrollment has on many Texas public institutions and how those enrollments have faced increasing political- and pandemic-related challenges over the last 5 years. Finally, all participants noted COVID-19's creation of unexpected expenditures to appropriately respond to it. Some participants highlighted on-campus safety expenditures, such as increased sanitation stations, reorganizing and partitioning of office spaces, signage, and the purchasing of personal protective equipment for students, faculty, and staff. Other participants focused on the shift to online modalities for course instruction and staff work, highlighted new costs that included hardware upgrades, purchasing of new software to promote work efficiency and effectiveness, as well as faculty and staff training. Furthermore, in response to the financial hardships faced by many students, several participants remarked their institutions had invested additional financial resources into a variety of student support initiatives including food pantries, counseling services, and expanded scholarship and financial aid programs.



***Response: Decisions Made in Response to Institution's Financial Situation***

Interview question 4 asked participants to outline their institution's response to current financial challenges. Although the purpose of this study was not to examine the response of public 4-year institutions to COVID-19 specifically, the reality of this shared hardship, and the similar forms of operational and financial instability it caused, allowed for many similar responses to be present across institutions of different sizes, types, and locations. Beckett observed that COVID-19 differs from many previous periods of financial instability in the state of Texas, stating "Where COVID is different is in the physical danger to individuals. Part of our response has to be limiting the physical danger for people to participate in our instruction and whatever else we're doing." For this reason, some institutional responses to challenges related to financial instability are grounded in cost saving, revenue generation, and financial efficiency measures that have been seen during prior periods of economic hardship (e.g., a recession or state budget cut). Other responses, however, deviate from this trend and instead attempt to address various components of student, staff, and faculty wellness despite the additional costs those measures often entail. The following sections will outline common, less common, and unique decisions institutions made to address the current operational and financial challenges faced by their institution.

**High Frequency Decisions.** All 13 participants discussed making decisions related to instructional modality after the emergence of COVID-19 in February 2020. For 12 institutions, the decision was made to transition most course instruction to digital modalities, both synchronous and asynchronous for the spring, summer, and fall 2020 semesters as well for the spring 2021 term. Most participants reported their institution's

percentage of online courses prior to COVID-19 being approximately 5-10%, noting the additional costs (e.g., computers, servers, faculty training, software) shifting to 90-100% online were significant and not anticipated in the existing institutional budget. Most participants noted that the shift to online instruction was not 100%, with some exceptions provided for courses with lab requirements, some graduate and doctoral courses, courses in which the curriculum was difficult to replicate in virtual spaces (e.g., agriculture, welding), as well as for essential institutional research functions. These face-to-face modality exceptions usually took the form of split-classes, where students would be assigned days when they could attend class in person while maintaining institutional social distancing guidelines. The remaining students would join online either synchronously or asynchronously. San Bernard University was the only institution represented in this study to maintain most course instruction in face-to-face modalities. Marshall notes: “We ended up with about 20% of our courses online due to exceptions made for people who felt they were from a vulnerable population and needed to teach online, but our students came back to be in person.”

Although not mentioned by all participants, several other decisions were made in response to operational and financial instability that a majority of participants discussed during their interviews. The foremost among these related to a cancellation of merit and cost of living increases as well as broad restrictions on travel for students, faculty, and staff. Nine participants explicitly mentioned cancelling institution-wide salary increases for faculty and staff, and no participants mentioned implementing one. Even for institutions who ultimately managed their finances well, the decision to forgo salary increases was an important, highly politicized one. Sawyer explains:

[In response to financial instability] you try to avoid doing stupid things. For example, right now, for this fiscal year, we didn't do a salary increase. We could have. We had the money available after we saw what the fall enrollment was, we could have come back and done a salary increase because we had the financial capacity to do so. It would have been monumentally stupid to do it because the state is wringing their hands about a potential drop off in state revenues, [indicating] they're going to cut our state appropriations and engage in some really heavy-handed budgetary activities during the next legislative session. It would be monumentally stupid for anyone to say, oh, we're going to give a raise in the middle of all this. You have got to be smart about the timing of things.

They're always watching, and you have got to look at it from their perspective.

Additionally, most participants mentioned that institutional travel had been severely curtailed with any proposed travel having to be reviewed and approved by vice presidents or deans. For three institutions, all travel had to be approved by the Office of the President.

All participants mentioned the 5% budget cut the state of Texas levied on higher education during their interviews (Price, 2020). Ten participants discussed the details of their institution's approach to those cuts. Three of the participants took a broad and equal cut across all departments and divisions, while five reportedly utilized various processes for assessing and deciding what programs, departments, and initiatives would be cut and by how much in order to meet the necessary amount needed. These cuts were labelled differently by participants, including "variable cuts," "flex cuts," and "vertical cuts." It is noteworthy that for those implementing these types of cuts, it was common for some

programs to be eliminated entirely while other programs, typically those in high demand or that had a high return on investment assessment data, would sometimes see an increase in funding or other types of resource allocation. Additionally, two participants mentioned implementing both budget-cutting approaches, where all departments cut a minimum percentage of their budget, while others were asked to cut more depending on a variety of factors. Lastly, four participants noted their institutions cut more than the state-mandated 5%, cutting 7-10% of their total institutional budget. For each participant, this decision was either based on projections of reduced tuition and fee revenue, concern about future legislative action to reduce budgets further, or a combination of both.

The elimination of vacated faculty and staff positions and/or layoffs were another common decision maybe by participant's institutions. Six participants discussed the elimination of vacant positions from institutional budgets and three implemented layoffs. Bellamy explained their institution's approach to eliminating vacant positions, stating:

Once we put our hiring freeze in place, we started eliminating [vacant] positions out of the budget. We have eliminated several hundred positions out of the budget to try to right size our institution without doing layoffs. Now the problem with that is if you do layoffs, you can pick who's [removed], you get to say okay well I don't need this many professors in that field. When you're relying on turnover to do it, it's uneven and it's a much slower process. You'll eventually get there but it's a much slower process.

Several participants referenced the perception that, although a slower and less targeted cost saving measure, eliminating vacant positions has a substantially less negative effect on faculty and staff morale, making it an attractive, balanced option to managing

institutional finances while at the same time managing the complexities of human perceptions and attitudes. For some participants, vacant positions were utilized in other ways as a cost saving measure. Several noted that for positions that were approved for hiring despite a hiring freeze, a mandatory 30-day waiting period would be utilized to reduce salary and benefits costs. Bellamy also discussed the opportunity vacant positions provided for re-examining their institution's approach to human resource management:

We had a lot of low-paying positions. We were well-staffed, but the positions that we were turning over were the \$30-40 thousand dollar positions. I've been [advocating] that we would be better off if we had less people, but we paid better. So as these \$30 thousand dollar jobs are opening up, I'm talking to [remaining employees] and asking, would you be willing to do more work if I could pay you more? We're not going to fill this position, but you're going to take on additional duties and your salary would go up for \$20,000. Would you be willing to do it? I've had a lot of takers. So what we're trying to get down to is, highly skilled, high paid staff. We're not nearly as human capital oriented.

Cohen noted that after their institution implemented a reduction in force of over 60 active positions and approximately 100 vacant positions, a policy was initiated allowing for an up to 10% salary adjustment for any employees taking on additional roles and responsibilities that were not originally associated with their position. Cohen noted this approach was effective "because you may not get those other positions back and you don't want to lose your high performers."

Three participants revealed their institution had implemented layoffs in response to their current financial challenges. For these participants, the trickle effect of

eliminating positions as they became vacant was either undesirable (e.g., due to prolonging cost-savings on an uncertain timeline) or not viable based on enrollment uncertainties, concerns about future legislative restrictions on the budget, and a perception that their institution's immediate financial reality necessitated a more immediate solution.

**Moderate Frequency Decisions.** There were a multitude of decisions made in response to financial challenges that, while not discussed by a majority of participants, were shared by several. The foremost of these centered on change in instructional modality. Because course instruction largely shifted online at Texas institutions, five participants mentioned making substantial investments in technology software and hardware. Investments in technology generally focused on improving student access and enhancing classroom and virtual instruction. Duncan discussed their institution's effort to invest in technology aimed at student engagement and success:

One of the things we couldn't predict was just how much our students were dependent on studying on our campus because they have lousy or no internet at home. So we had to invest in loaner hotspots and laptops for students who didn't have computers at home or Wi Fi or internet connection. And we had no idea, but so many of our students were coming to campus and working in the study labs, the computer labs, and in the library. And so now we have a better sense of the needs of our students. We thought we had a good sense [of student needs], but [now] we have a heightened sense of responsibility.

Other participants highlighted technology investments largely focused on classroom and content enhancements (e.g., cameras, microphones, content studios) and hardware

support for students and faculty (e.g., laptops and hotspots that could be checked out). One institution was in the process of repurposing a previously mothballed building to create a hub for online instructional technology on campus. The repurposed building, when completed, would include recording studios for faculty, online- and hybrid-friendly technologies, and a variety of support staff and digital resources to assist faculty. Additionally, three participants noted monetary investments were made to train faculty in online instruction and use of technology.

Four participants shared that institutional cleaning procedures were altered because of COVID-19. These participants noted the frequency and rigor of cleaning was increased due to safety concerns, and an additional three participants referenced increased costs related to safety-focused marketing and equipment, such as social distancing signage, partitions between office areas, additional soap and sanitizer dispensers, protections for food service and residence life operations, and the need to have additional quantities of various cleaning and sanitation supplies on hand. To offset some of these costs, and as a safety measure, five participants revealed their institution had implemented extended work-from-home programs for some faculty and staff. Two participants shared that institutional proposals were currently under consideration that would allow up to 35% of staff to work from home permanently, even when other institutional operations returned to face-to-face. These participants observed that in addition to providing enhanced safety from COVID-19, in many cases work-from-home employees saw an increase in efficiency and effectiveness as well as provided the possibility of mitigating tens of millions of dollars in operational costs (e.g., the need for parking spaces, building space utilization, new buildings, office supplies).

Another action discussed by several participants involved the opportunity current financial challenges provided to implement organizational changes across their institution. These structural reorganizations took different forms across institutions. One example involved a centralization of information technology (IT) functions campus-wide, with colleges and departments, who had historically had their own internal IT support, transitioning those positions to a centralized institutional office to streamline costs, unify processes campus-wide, and increase available staff for campus-wide technology initiatives. Other participants discussed their institution's approach to restructuring various faculty and staff positions due to financial concerns using services from human resources such as position reclassification and early retirement programs. Utilizing these approaches, the institution had approximately 30 faculty retire early, and more than 30 staff positions eliminated, collapsed, or reclassified, providing a large amount of financial savings.

Four participants highlighted a reorganization in their annual budget process due to their current financial realities. Cohen outlined the changes made at their institution:

We've instituted policy that had been needed for a long time. We established that we will no longer have off-cycle budget increases. Some of the deans and vice presidents wouldn't take the budget process very seriously and, once the year was started, would make a special one-off request. Many times that was approved.

We'd spend a lot of time trying to get the original budget in place and then in September or October, well, here's another million dollars that needs to be sent this way or that way. It's difficult for us to manage the budget at the macro-level if we don't have all the information, so we basically said that's off-limits moving



forward and you're going have to go through the annual process if you want to, if you want to be funded.

The other participants whose institutions implemented similar changes echoed these sentiments, noting the elimination of “special pleading,” where institutional administrators submit large, special funding requests outside of the standard budget cycle, allowed for more effective institutional budgetary processes as well as improving perceptions of fairness and transparency across campus.

**Low Frequency Decisions.** Many decisions made in response to COVID-19 and the institution’s current financial reality were mentioned by a small number of participants. Despite the low frequency of these actions, they still provide meaningful context as to the decisions made by executive-level administrators and may provide other higher education leaders with insight as to how they may best manage their own response to instability or crisis. The following list of responses were mentioned by two or three participants.

Some participants highlighted their institution’s alteration of physical plant strategic plans and financial investments as a major source of cost cutting. Participants noted that some construction plans for buildings and parking lots had been delayed or cancelled. Others highlighted attempts to renegotiate contracts with various on-campus vendors to restructure campus space utilization. One participant shared their institution had chosen to tear down an old residence hall and extend the distance a student could live from campus before being required to live on campus, saving ongoing operational costs while providing students the choice to live on campus or at home.

Increased administrative scrutiny related to monitoring expenses was implemented by several institutions. These efforts were aimed at limiting large and unnecessary purchases while establishing new definitions for allowable and not allowable purchases, such as limiting expenditures for in-person events, food, and travel per diem. Additionally, some institutions also implemented new budget rules to create limits for certain types of purchase (e.g., food, gifts). To further reduce expenditures, some institutions pursued privatization of certain services. Beckett shared his institution's approach to reduce costs related to grounds maintenance:

Take grounds for example, we're using contract labor now rather than hiring full time. We haven't contracted out all grounds, but rather than hiring groundskeepers back, we're using contracted labor for [gardening] and tree trimming. It looks like we might be able to eventually make shifts to contract services, so we're giving them a try. It saves money and increases efficiency for now, and if we find a way to deliver the same results for less money, we'll do that.

Another institution privatized their on-campus transit system by donating their buses to a private company in the community, who then added the institution to their bus routes. This mutually beneficial approach saved the institution approximately \$300,000, plus the ongoing costs of employee salaries, benefits, and bus maintenance.

Three participants shared that their institutions created a COVID-19 response committee, tasked with consolidating and communicating information both across campus and to the local community. Three participants discussed the transition of spring, summer, and fall 2020 commencement to online and hybrid formats. Finally, two

participants discussed their institutions providing additional scholarships and financial aid to help struggling students pay for tuition and/or living expenses.

**Single Frequency Decisions.** A total of 12 decisions in response to COVID-19 or institutional financial realities were made that were only mentioned by a single participant. Three of these decisions were mentioned by Cohen, who shared their institution utilized temporary employees to fill several vacant positions, altered some rules related to centralized institutional fees and expenditures, and fast-tracked a campus-wide software rollout. Describing the change in institutional fee structures, Cohen explained:

We have implemented an overhead charge on ancillary revenue. So, we've got appropriations and tuition and fees, but we've got all this other revenue that gets created: summer camps and workshops and stuff like that. Historically that money is just kind of been over there for the use of the deans and the VPs. We implemented an overhead charge beginning in September 2020. We're charging seven percent on every dollar they generate to fund utilities, physical plant, and custodial services. We're going to start charging seven percent on all new outside revenue. Then the final thing we did is on small scope renovation projects.

Historically, we had paid all those centrally, [so] we created a matching concept there. If you're going to do a renovation to your space, you're going have to put some, put some skin in the game so that we can try to control scope [of high-cost renovations].

Other single-frequency decisions included one institution temporarily closing their campus transit service due to lack of on-campus traffic. That decision was coupled

with refunding institutional transit fees. Another participant spoke about the high-cost of their institution's housing and food service refunds that were issued in March 2020. One participant mentioned their campus created a policy to prevent in-person meetings without prior approval, as well as not allowing on-campus visitors. Another discussed accelerating the implementation of Microsoft Teams software campus wide. Instead of the anticipated rollout of phone, videoconferencing, and database services taking place over 18 months, the rollout was fully implemented in six months.

One institution made alterations to their academic calendar by adding a one-week holiday to the beginning of the spring 2021 term as a safety measure. Another utilized a residence hall as a quarantine space for on-campus residents who tested positive for, or who had potentially been exposed to, COVID-19. Constantly changing policies from the National Collegiate Athletic Association caused uncertainty, stress, and unexpected costs for one institution regarding whether sports would be played or not and athlete safety. The final decision discussed by participants centered on inter-departmental fund transfers. Based on the freezing or imposed limitations on certain institutional expenditure lines, Brazoria University wanted to ensure these frozen funds were not reallocated to usable budget lines. Sawyer explained:

We froze transferability of funds. So if it was in the travel budget, you couldn't move it from the travel budget. We didn't want people all of a sudden deciding to buy new furniture with their traveling money. We also, because we weren't sure what was going to happen with the state funding, we also implemented a hiring freeze for everything except tenured faculty positions. That generated a ton of salaries, and again, we didn't permit the transfer of salary savings.

**Summary: Decisions Made in Response to Institution's Financial Situation.** A

multitude of decisions and responses were implemented in response to the emergence of COVID-19 and the financial disruptions it caused or exacerbated. Although some decisions were essentially uniform across participants and institutions (e.g., online modality, hiring freeze, travel ban, cancelled cost of living increase), many other decisions were not. This reality aligns with prior research emphasizing the influence of large- and small-scale environmental factors, specific organizational realities, uncertainty, and individuals themselves in navigating complex organizational challenges and decision-making (e.g., Beverly, 2018a; Bolman & Deal, 2017; Bronfenbrenner, 1979, 1986; Eckel, 2000; Goldstein, 2012; Hale et al., 2006; Hendrickson et al., 2013; March, 1994; Wright, 2018). The following section will examine participant's perceptions of key influencers on the decision-making process and will be followed by an investigation of decision-making processes utilized by participants in response to experienced financial challenges experienced by their institutions.

***Influencers to the Decision-Making Process***

Interview question 5 asked participants to consider who influences institutional financial decision-making pertaining to budgetary allotments during periods of financial instability or constraint. Participants collectively shared ten influencers that they considered internal to their institution and seven labelled as external to the institution. Additionally, one influencer was identified by all 13 participants and acts as both an internal and external mechanism on decision-making processes. The following sections will review these influencers and share participant's perspectives as to how their influence is exercised in decision-making processes.

**Internal Influencers.** The most frequent internal influencer affecting institutional decision-making during periods of financial hardship was students. Nine participants mentioned students with most of them mentioning them first or second on their list of all decision-making influencers. Lincoln expressed the sentiments provided by several participants accurately, stating:

My hope is that every decision that gets made will eventually be assessed by its ultimate value to students. I constantly ask the question, what's the impact of this on students? How is this going to impact our students positively or negatively? Interestingly, I have never heard anybody say students aren't important. Now you may have different perspectives, but viewing those discussions through the lens of student value helps focus discussion. I think when you can stay focused on that, legitimately focused on it, I really do believe it helps it helps direct decision making. . . . At times we lose touch with the individual student. I try to bring it back to [the individual student].

Other participants discussed the importance of gathering student feedback through diverse approaches (e.g., surveys, focus groups) and of ensuring their representation on institutional bodies responsible for providing recommendations to senior leadership (e.g., curriculum committee, COVID-19 response task force, institutional diversity and inclusion committees, strategic planning team). One participant shared an example where students serving on an institutional curriculum committee expressed concerns and advocated for solutions that led to the implementation of permanent changes to how courses were scheduled campus wide. Many participants acknowledged that students have immense power in institutional decision-making processes, even the power to

eliminate certain options from consideration. Sawyer explained, “We can't just we can't raise tuition 10% or 20% because students will just simply stop coming. We have to remain competitive and attractive within the marketplace that we are positioned in in order to retain our customer base.”

The multitude of challenges faced by students, and those challenges' impact on enrollment and retention, were also at the forefront of participant's mind. Participants mentioned addressing student challenges such as mental health hardships and food insecurity as being essential investments for student success and retention. Participants also discussed the immense impact students have on institutional finances, not only through state appropriations provided based on their enrollment and tuition and fee revenue, but also through auxiliary service utilization and their role in shared governance. Duncan shared an example of when their institution was attempting to add a student fee in support of institutional athletics, “The legislature gave me authority to go to the students and ask for a fee, and they voted for it almost 70% yes. But then student government, I had asked for \$10 but only \$7 was approved.” Beckett admitted the reduced funds they received affected their institution's college athletics implementation. In their discussion of students' influence on decision-making, Beckett provided the strongest rationale for why students are among the highest-impact influencers for institutions of higher education:

When I first started in the business, a majority of someone's education was paid for by government. Today the state pays less than 30%. The debt burden has shifted from the state to the student or family. I think that is also a reason why you see some of the silliness about institutions in some sort of grand race to make the

dormitories nicer. Make sure there's a swimming pool inside the recreation center. Make sure there are gourmet restaurants inside of the food service plan. Because now, now the state isn't our largest customer. When I was first in business, we were worried about producing highly educated people who would take care of the occupational needs of Texas, but also the cultural development of communities as well. That was the high mindedness of it all. And then we got into states not paying that much of the freight. Instead, students and their parents are, through loans. So the customer is different, and the focus is on, this is just the cold nature from the finance side, is pleasing the student. We're very much student focused, not just the student in terms of their outcomes but student as the consumer...it changes how you behave.

The second internal influencer with the highest number of mentions either first or second was the president's cabinet. When asked who had the most influence over budgetary decision, Marshall quickly and concisely stated, "It's the cabinet. The cabinet is the vice presidents, the athletic director, the head of media, the head of compliance and legal counsel, and the [director] of our board. We've got five vice presidents and then five other people." Others affirmed this perspective, observing that for something to be sustained in higher education, it must have support from senior leadership. Participants noted that without consensus from the president's cabinet, it would be difficult to effectively make and implement decisions. In most instances for institutions represented in this study, senior leadership at the cabinet level served as the primary entity making recommendations to the president for final decision-making. Among this executive group, while other positions of high-influence were occasionally mentioned



circumstantially, the most consistently mentioned high-influence positions were the president, the CFO, and the CAO. These positions were described as having shared decision-making authority in their respective areas of influence. Cohen explained how, and why, these three positions are critical to institutional decision-making:

I think no real change is possible, and no really good decision making can be done, without alignment of the president, the provost [CAO], and the CFO. I think that when you find that alignment in a university, innovation is easier to achieve. Understanding of what the mission is much more clear, because then you've got the person managing the money, the person who manages the largest part of the portfolio, and the president not working at odds. . . . I do believe that if you really want to optimize decision-making in higher education, especially related to finance and strategy, the alignment of...the CFO, the provost, and the president [is key]. If they are in alignment change can happen, if they're not in alignment. I guarantee you change won't happen. . . . It's like Congress. Nothing happens because everybody has just enough power to stop the others, and so it's important that, as you think about decision-making and higher education, that's a key component.

The balance of power shared across the president, CFO, and CAO positions, as well as the complexities associated with that shared power, was evident from all participants included in this study and aligned with the Eckel's (2000) presentation of shared governance. It is important to note that while the president, CFO, and CAO were always mentioned by participants, it was not uncommon for participants to include a fourth position that was perceived an essential to decision-making processes. The president's

chief of staff, the vice president for information technology, the vice president for student affairs, a system representative, and a board of trustee's representative were also mentioned as essential by several participants.

In addition to cabinet leadership, a total of eight participants mentioned academic affairs leadership as being highly influential to decision-making processes, most notably the individual college deans and the faculty senate. Among participants, academic deans were often viewed as being responsible for running their own mini-institutions, especially at large institutions included in this study. At institutions of all sizes, deans were perceived as having robust autonomy and authority to manage their college's operations as they saw necessary in collaboration with the CAO. While decision-making interactions pertaining to budget allotments and cuts with deans appeared to be primarily a CAO-centric responsibility, participants in president, CFO, and CAO roles all discussed the importance of maintaining a strong connection to their institution's faculty senate.

Among all mentioned internal and external influencers, it was faculty that appeared to have the broadest scope of influence in the eyes of participants. Faculty have strong, direct connections to students, serve on a variety of critical institutional committees, often serve as revenue generators in the form of research grants, and act as the most visible representation of an institution's academic brand through their academic engagements (e.g., research publications, academic conferences). Additionally, several participants noted that the existence of tenure allows faculty to advocate for their preferences with a level of consequence-reduced freedom not enjoyed by students, staff, or administrators. Adama noted:

I really think to some degree, not all faculty, but some faculty, feel relatively insulated because they know, especially if they're tenured, unless we declare financial exigency or they've done something so egregious that we fire them, which that's a really high bar to meet, they have job security and protection.

Participants noted that although tenure protections were often utilized by faculty appropriately, several participants shared experiences where tenured faculty created challenges for the institution by advocating for non-viable solutions, being unwilling to compromise with institutional leadership, or attempting to insert themselves into decision-making processes they had not been invited into. Finley provided an example of this occurring during their institution's initial COVID-19 response:

I've got faculty who decided they're going to become experts in how to become health managers in a COVID crisis. And these could be English faculty that have decided they're going to become an expert, and of course they don't know anything about medicine or certainly about pandemics, but they're going to tell us how to do what we do. So you're dealing with individuals in different pockets that are trying to create pandemonium, fear, or anxiety. [You are] putting those fires out all the time.

Most participants, during their discussion of faculty as decision-making influencers, referred to the importance of maintaining strong lines of communication with the faculty senate, as well as faculty in general, to provide information as best as possible while also attempting to proactively manage faculty concerns further mitigating troublesome situations mentioned by Finley.

Several other internal influencers were mentioned with less frequency. These influencers included institutional system leadership with the acknowledgement that although an institution is a fairly autonomous entity, those institutions connected to a system are expected to operate congruently with system-level priorities and concerns. Several other participants noted that while directives from the system office are not unheard of, system leadership more frequently affects decision-making through centralized services such as information gathering, resource allocation, and serving as a liaison with important external influencers (e.g., politicians, accreditors).

Other internal influencers mentioned by a small number of participants included the board of regents<sup>7</sup>, whose members have the capacity to wield substantial political power. Also mentioned were institutional programs that were exceptionally high or low performing or exceptionally high or low in demand. Several participants expressed interest in fully funding programs that were high impact, high demand, or both as recruitment, enrollment, and retention measures. Similarly, participants conveyed a greater willingness to target low impact, low demand programs for deeper cuts or elimination.

Several participants referenced decision teams that were utilized to review information and make decision recommendations, usually related to a specific topic. Three participants referred to budget- or finance-focused committees. Kennedy discussed an academic affairs team that they met with twice a week. The team consisted of two assistant vice provosts and representatives from the institutional effectiveness, student

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<sup>7</sup> In Texas, board members are appointed by the governor, confirmed by the Texas Senate, and serve 6-year terms. While it varies by institutions, system, and individual, they have the capacity to wield substantial political power via a direct line to the governor.

advising, and student support offices. Several participants acknowledged the creation of COVID-19 response teams to gather and process information, make decisions, and communicate effectively. Duncan, who established their COVID-19 “nerve center” by bringing together the cabinet and key stakeholders from across campus, stated they had a “war room mentality” that involved daily meetings highlighting information gathering, information sharing, and purposeful communication to students, faculty, and staff on a regular basis. For each participant, the utilization of decision-teams stemmed from a desire to bring subject matter experts and those most strongly tied to the issue at hand, together to streamline information sharing, advise in decision-making, and strategize intentional communication tactics to various institutional stakeholders.

The final two internal influencers mentioned by participants were a combination of their institution’s mission, vision, and master plan, and the institution’s staff. The institution’s mission, vision, and master plan were mentioned as influential focus and consensus points during periods of disagreement that would allow decision-makers to refocus the situation at hand, and potential solutions, through the lens of their institution’s core purpose. Two participants additionally noted the influence of staff members through their involvement on various institutional committees and through campus-wide organizations, such as staff senate.

**External Influencers.** Participants also discussed several external entities that influenced decision-making. Various political entities emerged as the most frequently mentioned of these external influencers, namely local legislators and the governor. . For most of the participants, the influence of politicians and legislators appeared to happen on a macro-level, especially when it came to state financial support. Bellamy noted:

As far as discussing decisions with legislators, we don't necessarily seek their approval. However, these are stakeholders for us, so it's critical that a legislator would understand any decisions that we made that may affect their constituency. So yes, we don't seek a legislator's approval to make a decision, but on the other hand, they are stakeholders who could support us and so any decision that we would make that might have a negative impact on their constituency, they certainly wouldn't want to be out of the loop on.

Participants conveyed two other ways political entities affect decision-making. Finley shared an example where political leaders declined to declare a state of emergency after a natural disaster that caused approximately \$6 million in damages to their institution. As a result, Finley was responsible for substantial damage repair but was unable to access federal monies to pay for those repairs. Political entities affected not only the initial response after the disaster, but also hold control over whether any part of the \$6 million would be reimbursed in the future. In addition to state-level political entities, Bellamy discussed how various federal entities influence how their institution utilizes certain special funds:

Oftentimes the funding we get from the federal government is ambiguous. We've gone to them and said we would like to spend the money here to get their sign off

on it before they come back and say no that wasn't part of it. So we do, on certain funding aspects, run it by the State before we spend it to make sure we interpret correctly. So these are all [political] stakeholders, and they have [influence] because they're providing funds to us. They have a right to know about what we're doing and any impact it might have on their constituency. But we don't necessarily seek their guidance to make the decision because we're paid to make the decisions.

Many participants echoed these sentiments, stating that local, state, and federal political entities were not necessarily a direct influencer of decisions, but instead represent powerful perspectives and preferences that must be kept in mind, and managed, at all times. One example of this is seen in the aforementioned instance provided by Sawyer, where their institution had the financial ability to provide merit raises to employees despite the financial disruptions caused by COVID-19, but institutional leadership opted not to out of concern of how that decision would be viewed by political leaders going into a legislative session. Despite their relative lack of direct control over day-to-day operations, participants generally agreed that political entities are among, if not the, primary external decision-making influencer for their institutions.

Institutional accreditors were another commonly referenced external influencer. Anderson shared their perception of accreditors:

Accreditors are kind of tricky. There's never an accreditor who's going to tell anybody that a college or program has enough faculty, has enough funding, or doesn't need something. That's part of what they do, point those things out. We have made some decisions that have been justified in responding to an

accreditation visit. I know we recently had accreditation visits [to several academic units] and in all cases, these caused us to think about our investment in faculty in those areas. In the accreditation reports, while the visits were all successful, they noted that on a comparative basis we were understaffed in those areas. So in a sense, yes, that does have an influence.

Other participants shared these perspectives, noting that although accreditors do have influence and can reframe perceptions and priorities in certain areas, preference in decision-making is generally given to accreditation-threatening recommendations. Other accreditor recommendations may be considered in a long-term strategic plan, allowing the institution to prioritize other goals in the immediate- and short-term.

Institutional alumni and donors were mentioned by several participants; however, their overall level of influence appeared to vary by institution. Sawyer explained:

To a lesser degree and much lower on the, on the [influencer] spectrum are alumni and donors. They want you to do a bunch of stuff. Alumni want you to have a football team that wins a national championship, but they don't want to give you on an annual basis the \$30 million that you need to spend in order to build a program that will beat Alabama. So, you have to measure their interest with their capacity to buy that interest. So, that's why I say their influence drops dramatically, with the exception of that small, very small, 1-2% of our alumni that are actively engaged in, and have the financial capacity, to really positively affect the programs. There you're going to pay special attention to them.

One participant noted that although occasionally their institution may respond to a proposed initiative from an alumnus or donor, they prefer to let the institution's internal



processes dictate budgetary and investment decisions. For other participants, the influence of alumni and donors seemed more robust. Several participants specifically noted the connection between their institution and their alumni foundation, highlighting the importance of maintaining a strong collaborative relationship with their institution's foundation to ensure various programs and projects by both entities are not negatively affected by the actions of the other. One participant acknowledged substantial financial support from their institution's foundation that had supported student scholarships, endowed chairs, professorships, various other campus-wide initiatives and described the relationship as "a partnership between the foundation and the university."

Three participants referred to their communities as external influencers of institutional decision-making. For participants that mentioned community partnerships, those partnerships appeared to be the result of intentional, targeted relationship-building and included local school districts, community colleges, community leaders (e.g., city council members, school board leaders, school district executives), and community and neighborhood associations. One participant highlighted their institution's active partnership with the city's master plan, having collaborated in the construction of a community center adjacent to their institution. Another participant utilized relationships with community healthcare entities to aid with information gathering and decision-making in response to the COVID-19 outbreak. For these institutions, community partnerships played an integral role in the operations, management, and decision-making.

The remaining external influencers were articulated by a small number of participants. Some commented that higher education was under a lot of scrutiny from the public, and one participant explicitly noted that a core component of their decision-

making process was whether proposed decisions could be justified to taxpayers. One participant highlighted the relevance of social media as a significant external influencer, noting that their institution has a team dedicated to putting potential fires out in digital spaces. Despite being mentioned by a small number of participants in comparison to other external influencers, individual differences across institutions appeared to have a meaningful impact on the perceptions and decision-making actions of executive-level administrators.

**The Consensus Influencer: Information.** The concepts of attention, search, and information gathering play a large role in foundational decision-making research (Bolman & Deal, 2017; Cyert & March, 1963; March, 1988, 1994; March & Simon, 1958) and more recent works highlight the importance and challenges of these concepts during periods of instability and crisis (Hale et al., 2006; Higgins & Freedman, 2013; Papadakis et al., 2008). Additionally, many concepts in the research connected to uncertainty and ambiguity have direct ties to information and how it is created, gathered, and assessed (Kahneman et al., 1982; March, 1994; March & Shapira, 1987; Tversky & Kahneman, 1992). All 13 participants described information and data as serving a critical role in decision-making, both as an individual and as an institution. According to participants, information, the process of gathering it, its reliability, trustworthiness, and limitations serve a dual role in decision-making: first, information acts as a foundational, core influencer to act of making decisions. Second, the act of information gathering (e.g., attention and search) serves as an essential component of the decision-making process. In this section, I will explore participant perceptions related to various facets of information and information gathering that are involved in the decision-making process.

At the high-level of institutional decision-making being examined in this study, most references to information and information gathering were made in the context of quantitative, high-scale (e.g., department, division, college, institution-wide), and aggregated data. Although perceptions around information and how to effectively gather it varied among participants, there was a consensus, best articulated by Bellamy, “We are in data overload.” Bellamy goes on to provide a few examples, such as enrollment and financial data generated for the state, data for institutional and program accreditation, compliance reviews, local politicians, and community leaders.

Other participants’ highlighted information generated from student, faculty, and staff through surveys, focus groups, or other means. Data related to auxiliary services were mentioned by several participants, who referenced not only financial data but also data tied to student, faculty, and staff engagement with those various services. Academic data were referenced by several participants, including data tied to enrollment, student and faculty performance, program effectiveness, and student satisfaction. Bellamy concluded, “There are mountains of data out there.”

Perceptions of this information varied across participants. Bellamy compared it to the medicine a doctor might use to heal a sick patient:

When you take information collectively, there is no single magic number you can focus on, but you can look at the body of evidence and based on your experience and your training, reach conclusions. . . . Looking at a situation and trying to figure out, what's really going on. Why? Why is it that we have a decline? Can we see what's happening? What's the cure? . . . Then you get into operational data, enrollment data, student affairs data, academic data, and try to figure out, [what is

happening]? Being able to analyze and pull the data together and say, I've looked at this patient, or campus. How are we going to turn this around? What programs do we need to have to make sure we're as successful as possible?

Some participants discussed their institution's substantial investment over the last several years to hire data scientists and build a data warehouse that provides defined, structured, easily accessible data, particularly related to student and institutional finances, because of that information's influential role in decision-making.

Not all participants shared an exclusively positive view of this type of information. While Anderson acknowledged the importance of making well-informed decisions institution-wide, they shared a concern of the limitations of aggregate data and their hesitation of over-focusing on it:

We have used [aggregated institutional data] in the past and to be honest with you, what we learned is we never really looked at it and we never really did much with it. We used to get information on retention rates, graduation rates, student outcomes, and quality of incoming students from the colleges. The problem with non-colleges is, how do you compare things that report to me [such as the institutional transit service] to the engagement that our students get working in student affairs with student organizations? We used to have everybody provide budgetary information, but at the end of the day, what we did was we were looking for big ideas, and we were looking for things are going to move the needle, and sometimes, assuming things are operating reasonably well, does it matter that a unit has a 92% freshman, sophomore retention versus 94%? Does that matter? Should that affect the budget decision? I say no.

Many participants advocated for ideas in-between those presented by Bellamy and Anderson, noting that they preferred to have access to as much information as possible to develop a wide range of responses to institutional problems. However, participants acknowledged having too much, or irrelevant, data can slow down decision-making processes and lead to ineffective use of time as response options are considered.

Participants generally mentioned similar types of data they sought out and used when making financial decisions. Enrollment and financial data were the most frequently mentioned across all participants. More specifically, participants highlighted the following information as being especially important in their financial decision-making processes: enrollment trends, student full-time equivalency, salary and benefits growth, span of control (i.e., described as number of subordinates that report to a manager), departmental, college, and divisional budgets, expenditure and revenues shifts, expenditure and revenue types, student performance, satisfaction, and academic majors and minors. Some participants highlighted certain data over others, usually based on their role (e.g., CFOs more frequently discussed the importance of financial data, while CAOs tended to emphasize enrollment and program effectiveness metrics). One interesting data designation mentioned by some participants emphasized expense data over revenue data.

Becket explained:

What we focused on was revenue generation. Expense management is fairly easy. You buy stuff or you don't buy stuff. You hire people or you don't hire people. You fire people or you don't lay them off. There's only a few major decisions in expense management. It's what's going on with the revenues is where all the things happen. For example, for summer [2020], we would have coliseum rentals,

dorm rentals from external groups, commencement exercises from high schools.

We'd be selling parking. We'd be selling all kinds of stuff. And so there's a whole bunch of revenue streams that are affected [because of COVID-19 that changed our financial situation].

Overall, for most participants the importance of information and information gathering was difficult to understate. Sawyer acknowledged that one of the challenges faced by executive-level administrators is that they are often responsible for making decisions that affect all levels of the institution, but rarely have an opportunity to experience all levels of the institution first-hand, adding, "When you're making decisions at the 30,000-foot level, and at the ground level, you have to know what your resources, commitments, and available resources are. [That is made easier] with access to all these informational reports."

Although perceptions around what data were most helpful and influential in financial decision-making processes were largely in alignment across participants, other perceptions and insights about information and information gathering were less uniform, with many participants sharing unique insights related to their experiences and perspectives of information management. For example, Beckett emphasized the importance of data transparency and trust:

If I make a pronouncement in a meeting, they can go double check on their own.

It's no secret. They don't need to know SEQUEL or whatever. There's a bunch of [reports] already [created] out there that can be easily examined. That's actually been the biggest blessing in the last seven or eight months. We had a [COVID-19 response] committee that started meeting in March... they wanted to know every

two weeks where we were in in our COVID response. We were able to go in and say here's the information. Well, how did you generate this? It's generated every day. Here, you want to see it, you go see it. The confidence in the information, from the people on the ground to the executive-level was sky high because anybody who was given access to it can go out and see it. Everybody knows I just don't pull a number out. There's no secret database or ledger.

Several participants, all CFOs included, noted the value of data teams to take data that, in the aggregate, can be confusing or overwhelming, and present it in such a way that stakeholders without a background in finance could understand.

Several referred to the importance of information in the development of long-term projections for their institution. While these participants understood the importance of addressing immediate problems, each was also considering the long-term implications of their institutions actions to ensure decisions were either sustainable, or knowingly unsustainable and therefore requiring additional attention at a certain point in time. Several CFOs acknowledged, however, that limitations existed with their attempts to project and forecast the future. Sawyer noted:

The higher confidence level you have in your metrics and your data, then the more aggressive you can get with your predictions in your budgetary estimates.

However, data and predictive analytics are based on historical analysis, and when the current events have no precedent in history, we just can't rely on them.

Sawyer's mention of unreliable or incomplete information echoes much of the research associated with information gathering and decision-making (Bolman & Deal, 2017; Cyert & March, 1963; Kahneman et al., 1982; March, 1988; Tversky & Kahneman, 1992).

Because of this prominent theme in the literature, a common follow-up question when talking about information gathering and decision-making was how executive-level administrators navigated situations where information was unreliable, incomplete, or unavailable.

When asked how they made decisions amidst unreliable, incomplete, or unavailable information, participants had a variety of approaches. Adama shared:

That's so much of what we do. I mean, there's no crystal ball. There's just, I think the term people like to say is data driven decisions. I like to say data informed decisions because I think the data does tell you something, but you're still limited. You're still limited by whatever flaws are in the data that you collect. It doesn't account for everything. So, I come back to what is the mission that we're trying to achieve. What is it that we're trying to do at [institution redacted], and then my goal really is to protect the integrity of the academic mission. I'm trying to always come back to that. How am I protecting the integrity of the academic mission? And sometimes that is saying no to a request because I know it's not financially sound and I, if I say yes to this, then there's not money to do something else which maybe have more benefit, or impact more students, or generate more revenue. It's not always about the revenue, but I think, certainly revenue has to be part of it because we have to be able to fund the mission.

Another example provided by participants emphasized institutional attempts to respond to the initial COVID-19 outbreak despite an inability to get reliable, consistent information about the virus. In response, where Adama mentioned falling back to the academic



mission, Beckett provided a different perspective that emphasized institutional survival and the experiences and perspectives of its leaders:

The approach depends on how critical [the problem is] to the long-term survival of the institution. What can we know if we don't have perfect information? We usually have great information, but we never said we have perfect information. . . . So then, there is a role for experience here. You look at institutions, and what have institutions and always done well? They fight for their survival. You're not worried about immediately balancing the fund balance. You're not worried about record enrollment in the summertime. You're back to the basics. How do we get from March to April, and then from April to May? [During] those first six weeks [you get better information] and you start seeing how the disease was moving and wasn't moving. You start making smarter decisions about moving forward. So, I think you just return to everybody's personal experiences and you value them when you don't have really good data. You have to you know to trust what people have seen and known and experienced before.

Some participants emphasized the importance of utilizing information or perspectives outside of one's own institution during periods of instability, uncertainty, or when there was a lack of reliable information. These participants encouraged utilizing peers at other institutions, higher education think tanks, national and regional organizations their institution is associated with, peer reviewed research, and even op-eds from thought leaders in the field when attempting to gathering information amidst uncertainty. Roland summarized the navigation of unreliable, incomplete, or unavailable information while also observing that leaders are not often taught or prepared to navigate

the complexities that come with decision-making during instability, uncertainty, and ambiguity:

I remember in my [business] program, we'd do these case studies and we would have all the information to make the right decision. And you tend to think that, well, that's what life in the real world is going to be like. When I got out there and had to make business decisions, I have half the amount of time to do the analysis that I need, and I have half of the data that I would really like to have to do that analysis. So what you do is you get to a point where, do I have a reasonable degree of confidence that I'm not making the wrong decision. And then you go with it. Because, and if you can do that fairly consistently and not make the wrong decision, then you should come out okay. That's the best that I can offer. That's the best I've been able to find in my [decades] of doing financial management in a whole bunch of different settings. You never have enough time. You never have enough data. So try and get to a point that your experience, your intelligence, and the data lead you to, I'm pretty confident this isn't the wrong decision, and do it. Just be, just be honest about that. This is a guess. It's an educated guess, based on as much information as I could get, and we're going to do our best to keep checking on it. And as long as the data keeps coming back in the direction that we anticipate, then we're pretty confident we made the right decision. If it starts coming back different, then we need to ask more questions and we'll pause. And, again, if people recognize that that's what you're doing, and that's why, and that's how, then they're going to be supportive and they're going to go along with it.

Participants shared several other insights related to information and information gathering. Although the discussion information was overwhelming focused on aggregate, quantitative data and analysis, some participants did mention the importance of people in the information gathering and evaluation processes. For some participants, this emphasized connecting with the individuals receiving services (e.g., students, faculty, community stakeholders). For others, this involved strategic meetings with other executive-level administrators to get a sense of their attitudes and perceptions of decision-options. Several participants referred to the importance of including their direct reports or subject matter experts in certain decision-making and information gathering processes. For most participants, these collaborative relationships had a profound influence on their decision-making processes. This relationship building concept of information gathering frequently intersected with various internal and external influencers during participant interviews. Political entities, accreditors, students, faculty, staff, community leaders, alumni, the public, social media, and others could all be sources of reliable, helpful information.

Participants mentioned two additional concepts when considering information gathering. First, participants noted that knowing what questions to ask, how to ask them, and who to ask them to were all critical and did not receive enough attention from most leaders. Second, participants noted that although information management takes on a prioritized, more visible role during periods of instability, the best practice is to always take a disciplined approach to it. As Sawyer noted, “Fiduciary responsibility doesn't just apply during times of fiscal stress, it applies all the time.”

**Influencer Summary.** Participants in this study, through their discussion of internal and external decision-making influencers, conveyed that no decision is made in a vacuum. One of the foremost themes in existing decision-making research is the presence of complexity (e.g., Barr & McClellan, 2018; Bolman & Deal, 2017; Bronfenbrenner, 1979; Goldstein, 2012; Hendrickson et al., 2013; Jor'dan, 2018; Kornberger et al., 2019; March, 1994; Wright, 2018). The complexities mentioned in prior research were largely echoed in participants discussions of internal and external influencers, as well as in their insights and experiences related to information gathering. It is difficult to understate how much of an effect influencers, information, and complexities play in decision-making processes and decision-making outcomes. The next section will explore participant's perceptions of the decision-making process and outline how participants navigate problems, influencers, information, and other forces to ultimately develop options and make a decision in response to instability.

### ***Participant Additions and Advice***

Due to the complex, nuanced, and highly individualized nature of both decision-making and organizations (Bolman & Deal, 2017; March, 1994), two questions were included at the end of the interview protocol to provide participants the equivalent of an open forum. The purpose of this open forum was to allow participants the opportunity to highlight a topic of decision-making amidst financial instability that had not yet been discussed. Additionally, the interview protocol emphasized the use of descriptive questions, which aimed to elicit a lengthy, detailed, and rich responses from respondents by providing them with lengthy, detailed, and rich inquiry (Frake, 1964; Spradley, 1979). This approach worked especially well with interview question 8, which asked participants

to share any additional experiences, insights, or lessons related to the research topic, and interview question 9, which asked what advice participants would give to other executive leaders regarding financial decision-making during financial instability. For this reason, participant additions and advice are presented in the following sections with minimal editing to provide the length, detail, and richness of their shared perspectives.

### **Participant Additions.**

*Adama: Hagerman University.* Adama's additions emphasized two points. The first centered on the importance of building relationships with campus stakeholders, especially with leaders in finance and administration:

When I took on the provost role early on, I learned that my success is going to depend locally on my relationships with people in finance and administration. So I decided right there and then, I'm going to make the CFO my best friend, and his number two person, the associate vice president, she's been, his whole staff really, but his associate vice president in particular has been very helpful when I need data, or needed the history on something, or I need to know, can you find me money for this thing, or how can we clean up this mess? You can't do things in a vacuum. Working well with others, I think is absolutely crucial to success.

Further, Adama spoke at length about the importance of managing relationships within their own area of academic affairs, noting that their relationships with deans, program chairs, and faculty senate as being critical to their ability to make decisions and respond to crisis. Second, Adama expanded upon their approach to making decisions with less-than-complete information:

A lot of times I'm making decisions with less than complete information and I have to do the best I can with what I have at the time. I do what I can. I do my due diligence and make sure that if I make a decision, to the degree that I can make it, that five years down the road, hopefully, we're not going to regret this. Or this is not going to add to our financial burden. My goal is first do no harm.

Adama noted that the notion of doing no harm was essential to their decision-making values, because in almost every situation they were being asked to make decisions with incomplete, unreliable, or unknown information.

***Anderson: Big Bend University.*** Anderson discussed their institution's examination of centralized or decentralized budget approach on their campus in order to manage both costs and revenue streams:

One of the things we're grappling with right now is what sorts of costs should be born centrally by the university, what sorts of costs should be borne by the units, and how do we use a process to incentivize certain sorts of behavior. It's the Responsibility Center Management (RCM) argument that some schools have gone to, and others have gone away from. Should a unit get to keep the revenue they earn in tuition dollars and bear all their costs, or should we do some sort of sharing? . . . We started off with our hair on fire, wanting to get rid of all the costs we support centrally, and now we're realizing that we're just going to use a lot of accounting time and spreadsheet time. But there are some major costs that we want people to be aware of and control, and the only way to do that is to hold units responsible for those costs. So we're still kind of working through that.

Anderson noted that some costs had already been moved to individual units, such as employee benefits, facility-related costs (e.g., utilities, custodial, and landscape), and a matching program had been implemented for building upgrades and expansions. Big Bend University was still figuring how programs and services used by multiple departments (e.g., the library) would be navigated as the institution found a balance between fully centralized and decentralized approaches. Anderson shared that the decisions, implications, and financial realities presented by different approaches were immensely complex and had the potential to significantly affect institutional operations at all levels.

***Beckett: Johnson University.*** For their addition, Beckett advocated for regular decision and program assessment, not just critically examining decisions and programs during periods of crisis or instability:

I don't think in our business we do enough evaluation of prior decisions. We're always focused on the next decision. I think in all of our decision making it is always more fun to figure out the next new program or the next new service or the next new building. We don't take a look and understand how trimming the tree makes the tree healthier. I think that's why you get lots of folks who say crassly don't let any crisis go wasted. Tree trimming, if you have a healthy tree you prune it between January and February every year, then it grows stronger. We get so lost. I don't know whether its fear over you may have to let a few people go, or its fear over a decision that you made, and now that's being called into question because we're going to eliminate your program. But we don't contemplate that very much. And I think if institutions did, in their decision-making, contemplate

pruning the tree, that we'd all be stronger and there'd be less resistance to what we do.

Beckett perceived several advantages to this approach. One being normalizing assessment and program cuts into the institutional culture to reduce anxiety and stress. Second, regular assessment and *pruning* activities would require institutions to have regularly updated performance metrics and program expectations, which should improve program quality. Additionally, Beckett noted that during good times (e.g., periods of growth and financial abundance) there is less willingness on the part of most humans to rock the boat and generate conflict with an underperforming program, allowing these programs to utilize financial and human resources for longer than may be appropriate. A culture of pruning, according to Beckett, would also allow for an annual strategic reallocation of these resources to better serve the institutional mission and students.

***Cohen: Anahuac University.*** Like Anderson, Cohen discussed their institution's examination of centralized or decentralized budgeting managed through RCM principles:

The deans have long wanted much more autonomy in terms of access to the revenues that they generate. We use a very centralized approach, it's really an incremental budgeting model. We've had some really generative conversations on RCM, or some variant of that. I'm hopeful that we can start to move in that direction because my goal would be to empower the deans and incentivize them to go out there and grow enrollment and generate revenue so that they have the resources to do what they want to do and to be able to be more entrepreneurial than they have in the past. I don't want to do the full-blown RCM, where the dean has all the control, but I think within reason we want to incentivize them. We've



had preliminary discussions about a model that would take our overhead rate right off the top, and then leave the rest for the deans to operate their business.

Cohen shared many of the same topics of discussion as Anderson, again highlighting the importance of finding a balance in the institutional budget approach that maintained cohesion across units to the institutional mission and strategic plan, while allowing individual units to pursue innovation and area-specific best practices.

***Duncan: Texas Point University.*** In response to financial instability, Duncan emphasized the importance of institutions in being more flexible, adaptive, and innovative in response to student and customer needs:

I think the biggest threat to higher education is not being flexible enough in the way they're responding to the needs of consumers [in terms] of what we offer. And I face that, we don't do a lot [of course offerings] every eight weeks, like [several community and for-profit schools mentioned]. If you want to get in, you can start anytime. We need to get more into that realm where we're more sensitive to the needs of working adults if we're going to remain relevant. We've been in a good spot because we're working with a lot of students who have an aspiration to get out of the economic class that they were born into. That's not going to last forever. That's helped us grow, but we need to continue to diversify our offerings and continue to listen to students.

Duncan also advocated for the idea that post COVID-19, there would not be a return to *normal* for institutions. With the expansion of online, hybrid, and flexible class offerings, they believed that although many students would happily return to a face-to-face collegiate experience, many would also desire to retain the flexibility, freedom, and

“liberty” they acquired in pursuit of their learning during the COVID-19 outbreak. For Duncan, those institutions that provide students flexible opportunities for learning will thrive post-pandemic.

***Finley: Muleshoe University.*** For their addition, Finley noted that the future of higher education has the potential to look very different due to potential changes in faculty tenure:

The assurance of lifetime employment in higher education is in serious jeopardy. At its core [tenure] makes a huge amount of sense . . . but the abuse of tenure has been widespread. Faculty that are well past their prime continue to remain in positions, and then a variety of other issues that are pertinent to that space. I think it can be very difficult for higher education to hold on to tenure over the next couple of decades. There's a lot of discussion about whether it has sustainability to be able to continue in its present role. When that happens, this whole industry will take on a vastly different profile. In my opinion, and what that's going to look like is going to be really rather intriguing. [I think] we're going to see across higher education. . . these concentrated areas of exceptional scholarship, [a tier of institutions] preparing people to move into professional jobs and social service, and [community colleges] serving as feeders into that system. . . . legislators are trying to figure out a way to bring budgets into alignment and asking serious questions as to whether or not certain types of institutions really are legitimate players in doing massive advancement in research enterprise.

This potential realignment echoes prior research highlighting potential changes to higher education over the next two decades (e.g., Lederman, 2017; Tobenkin, 2020; Zemsky et

al., 2020). These changes not only have the potential to shift the primary purpose of institutions, but also could lead to a significant increase in institutional closure, merger, or consolidation.

***Harlow: Guadalupe University.*** In discussing decision-making amidst financial instability, Harlow highlighted the importance of simplifying complex situations to make information gathering and decision-making more navigable and understandable:

I think that it's important for any leader, or anybody that is trying to make a decision, to simplify very complex environments. You have to be able to distill the core of the issue that you're trying to solve, and understand that it could be more complex, and that it could have other further implications, but if you think about the further implications out there, are they just ego implications? Or are they really detrimental to the delivery of your mission? That way you can make [the issue] it a little bit more simple to manage. You can get inundated with downstream effects or sort of taken into wanting to fix everything that was wrong in the past. [There's a temptation to] reshape the entire structure. You can take advantage of [crisis], but you can't really [fix the past] all at once. It's too much for an organization to take on that much change. [Simplification] also allows for more candid discussion and not so much threatening conversation about how things are going to change so that people can be more comfortable. It opens up the imagination and discussion into what it could be. My style is to make it as simple as possible because then people can understand it, then you start layering the complexities once they have a baseline of understanding so they can actually engage with you for productive dialogue.

Although not a common topic of conversation amongst participants, the concept of simplification is prominent in decision-making literature (Chen, 2013; March, 1994; Schwenk, 1984). As Harlow noted, simplification can lead to many positive outcomes, including cost effectiveness, communication efficiency, and streamlined decision-making processes, but can also lead to solutions not fully addressing problems (Osborne & Rubinstein, 1994). Therefore, Harlow's statement about not trying to solve all problems with one decision is insightful, as simplification processes have the capacity to introduce to untended consequences to decision outcomes.

***Kennedy: Laguna University.*** Kennedy noted that leadership styles during periods of instability have immense impact on both institutions and decision-making processes:

I think there's a whole lot more bad leadership than good leadership in higher education. You have to be tough in terms of making decisions and sticking with them, but you don't have to be a jerk. You just don't. Remember that it's about the other person, not about you, that's the big thing. Ego. Jesus Christ. It doesn't have to be [your way or the highway]. You just don't have to do that.

In addition to this perspective, Kennedy was also a participant who heavily advocated for involving others in decision-making and information gathering. While other participants highlighted the importance of relationships, Kennedy took it a step further by touching on these notions of kindness and compassion through their approach to leadership and decision-making, demonstrating how personal values meaningfully affect these processes.

**Marshall: San Bernard University.** Marshall highlighted the importance of having a fully developed approach to leadership prior to taking a position as an executive-level administrator:

It's too late to create your values once you're already a president. You need to walk into a presidency with very clear values for yourself. When will you give up your job? At what point will you say, I'm sorry I can't do that? You have to have a set of rules for yourself that are more important to you than your job. You have different values like honesty, and a sense of humor, and a commitment to diversity, and those values inform your decision making and they create the leaders around you. You want to surround yourself with leaders with different talents, but with similar values.

Like Kennedy, Marshall's addition also highlights the importance of personal values, perceptions, and experiences to the decision-making process and introduces a concept not mentioned by other participants: would you step down from your position at the institution?

**Roland: Aransas University.** Like others, Roland discussed the debate between centralized and decentralized budgeting and decision-making processes taking place at their university:

I guess one thing comes to mind is the balance between centralization and decentralization of decision making. To make decision making authority either centralized or decentralized, it has to come with resources to make those decisions. . . . You can't be all knowing, you can't always make the right decision. So you try to decentralize things as much as you can to allow people the freedom

and the flexibility, but also the consequences or the reward of making good or bad decisions. And yet you try and create some bumpers so that they don't keep throwing gutter balls and waste money that you can't afford to waste. I say our, across our institution we have plenty of money to make investments. We just don't have much money for making bad investments. And so we need to try and be smart about it. That's really one of our biggest struggles, and one I struggle with is: am I going to get the best results through centralizing decision making or decentralizing it? We're really trying to strike a balance, but that's a hard thing and it's hard to get everybody on board with helping you make those decisions because you recognize that everybody is happy to have a reward for making the right decision not everybody's too happy about the consequences of making a bad decision. . . . That's a constant challenge and a real complexity.

Roland's additions echo the perspectives noted by Anderson and Cohen: how does an institution balance decision-making and mission cohesion while providing individual units an opportunity to operate autonomously and pursue innovation?

***Sawyer: Brazoria University.*** Sawyer returned to the challenges mentioned by several participants surrounding the broad nature of institutional mission statements:

I think the biggest challenge that higher education faces as an industry is a lack of clearly defined goals and objectives. We, for example, our mission statement is . . . basically to educate students that are ready to enter in, and support, the Texas workforce. . . . The challenge with something like that, is it gives everybody within the organization and opportunity to define how they are going to contribute towards that goal versus giving them a more concrete pathway of what we mean

by contributing. The [state value on] on professional development for the educated workforce, then you've got to give us predictable, accountable outcomes if you're the Dean proposing a program, you're going to be held accountable [to these state values] or the program simply ceases to exist. Without that kind of predictability [of desirable outcomes], then it leaves it wide open and it creates too much noise in the model. We have to get more nuanced about what we're talking about in goals and objectives. They can't just be these lofty, we're here to improve society as a whole. That's just too wide open.

Sawyer's advocacy for more specificity in institutional mission statements was echoed by several participants and related to the need, mentioned by some participants, to frequently discuss what the priorities of the institution, as they relate to the mission, are during periods of instability. This "noise in the model," as Sawyer called it, likely causes operational and cost inefficiencies before, during, and after periods of instability and crisis.

***Summary of Additions.*** The additional insights and perspectives provided by participants affirm the complex, nuanced, and highly individualized nature of organizational decision-making. This nature is further revealed by the reality that of the 11 participants who shared additional perspectives that largely fell outside of the original interview protocol, only three mirrored similar topics (i.e., Anderson, Cohen, and Roland's discussions related to centralized or decentralized budgetary responsibility), while the remaining eight topics touched areas they felt affected decision-making that included relationship building, decision assessment, awareness of consumer needs, the future of tenure, leadership, personal values, decision-making locus of control,

institutional mission clarity, and the importance of complexity simplification.

Additionally, these responses tie closely to Bronfenbrenner's (1979) environmental systems and their influence on individuals, as well as connect strongly to several concepts presented Bolman and Deal's (2017) four frame model, especially those of organizational structure, politics, and symbols.

### **Participant Advice.**

***Anderson: Big Bend University.*** Anderson's advice to other executive-level administrators managing financial instability highlighted two topics. First, the importance of transparency, and second, institutional instability as an opportunity:

I think transparency is really, really important. . . . I think the first thing is you just got to over communicate, you've got to make it really, really clear that every unit on campuses is suffering. [Additionally], if you've got funds, this is a time to take some chances. This is a time when you can attract talent that you might not ordinarily get because [other schools] might have significant budget freezes. If you've got some funds and you're willing to take a chance, this is a good time to get out in the marketplace and do some things. I think this is exactly the time to build on your strengths and to get good return on your investment, which sounds a little inconsistent, but we've seen it work.

***Beckett: Johnson University.*** Beckett's advice emphasized the importance of a leader's attitude during periods of financial instability and the need to quickly navigate negative attitudes so that the problems at hand can be meaningfully addressed:

Put your ego aside. And look at what's best for the institution. I can't count the number of arguments that we've had where the initial conversations were not



dominated by ego. . . . The joy about working, and the frustration about working, in higher education is that you work with a lot of smart people. A lot of people dedicated to doing what they're doing. I think generally when you hit a new crisis like this, you're going to get very good response, after a while, people are going to logically figure out where they're going. But you can save time and get to it faster if you didn't have to go through two months of catharsis of people [saying], oh I know but I fought so hard to get that done and fought so hard to get that in my area. I fought so hard. If I ever heard that again, everyone time I do I want to [scream]. Move forward and fight hard for something else. You are a fighter. Good. Let's fight on something that's more worthy. Leave your ego aside and address the situation you've got right now.

***Cohen: Anahuac University.*** Cohen's advice involved resisting the urge for institutions to turn inward and isolate others during periods of crisis or instability:

It is very easy, when things get difficult, when things start moving fast, to turn inward, to not look to the people around you as resources, to not collaborate to the extent that that you would normally do that. I think that's the tendency, and I think you have to fight that. The more people you have in the room solving the problem, I think, the better. [When you turn inward and centralize decision-making], now all these guys that that were empowered a year ago are on the sidelines. I think you need to avoid the tendency of turning too much inward or trying to centralize too much decision making. What you have to do is speed up the process of collaboration and getting people to coalesce around ideas. We don't have two years to reach a decision. You have a couple weeks to do it, but once

everybody understood the severity of the [COVID-19] problem, I think they rallied, because they knew it was important. I think people will step up to the challenge when you say, I need your expertise. I want your guidance. People will be there for you. I think they'll appreciate that you asked and you'll benefit from the fact that they're there

***Duncan: Texas Point University.*** In their advice to other executive-level administrators, Duncan highlighted the importance of make decisions that do not negatively affect accessibility to college for traditionally marginalized populations:

We can't eat our seed corn. So my message really is, don't give up on the poor students, they need the education more than anybody. Providing a welcoming sense of belonging is very important to the students we serve. It's important anywhere, but if your parents never went to college, you don't have a lot of money, and you're always fighting over how to pay for transportation, food, and housing, which is where a lot of our students live. You have to be sensitive to that. [It requires a lot of investments], but don't give up on them.

***Finley: Muleshoe University.*** Finley encouraged others to consider how higher education could expand its curriculum to include the life experiences of students in the learning process:

Increasingly more so, the audience we're going to be educating is going to have a harder and harder task in coming to us and affording living on our campuses, eating our food, and sitting in our classrooms while not doing a full time job. It's just harder and harder for most of the public to afford. We need to be thinking more about how we educate that customer, that student, in that place, and then

how do we make that experience relevant to them in a way that we take advantage of where they are and use those experiences as a way to enhance the educational experience.

Finley advocated for finding ways to connect the curriculum to the jobs students were engaged with, or other facets of their lives (e.g., raising children). Finley believed that connecting these separate facets of the student's life has the capacity to develop critical skillsets the student can then leverage in the classroom, in the workplace, and in their lives.

***Marshall: San Bernard University.*** The advice shared by Marshall emphasized effective utilization of the CFO role related to institutional finances and budgeting:

The way the president positions the role of the CFO is absolutely critical. So I hired a new CFO here, and what I told her I expected her to partner with every single member of the cabinet so that nothing she did or decided would seem punitive. I said, I want you to be their friend, not their best buddy, but I want you to be seen as their colleague, their supporter, not the person who comes in and says no. No is the wrong word. The word needs to be yes, but. So, she says a lot of yes. When someone asks you if they can do something, I want them to see you make an effort to figure out how to do it or how to adjust it so that some of what they want can be done. I think that the CFO position is absolutely pivotal. And if they're just seen it seen as a person who says no all the time, that's not productive.

***Roland: Aransas University.*** Roland's advice centered on the idea that first, you cannot wait forever to make a decision, and second, if you begin to see that a bad decision was made, steps must be taken to rectify that mistake:

The worst decision is not making one. I've seen a lot of times that difficult situations can create paralysis amongst leaders [who are] afraid of making the wrong decision. I guarantee you, failure to make a decision is absolutely the worst decision you can make. So make a decision, commit to a path, and then ride it out. When you make a mistake, don't double down on it. Pay attention to the data. And as soon as it's clear that that decision was wrong, stop and do something else. That's not a mark of your failure. That's the mark of intelligent leadership recognizing that we made a mistake and we're going to change that.

***Sawyer: Brazoria University.*** Sawyer's advice focused on the importance of having a president with an innovative, CEO-mindset in order to drive institutional innovation:

Higher education is horrible, horrible at product development. The quickest we can develop a program and deliver the first course for an undergraduate program from scratch is roughly six to eight years. The curriculum design process takes that long. Then, once you, once you design the curriculum, you have to ensure you have the appropriate faculty on staff to teach, and it takes six to eight years to deliver a product. What ends up happening is our faculty, just like anyone, get their blinders on. If all I know is underwater basket weaving, that's my PhD, I'm going to develop 20 different flavors of that curriculum, but I'm never going to develop a program in new battery storage systems for electricity because that's

just not in my bailiwick. So innovation definitely has to be driven by a CEO vision because the faculty can't get there, not on their own. So you need to have a [president] that has a laser focus on what he or she wants to achieve. But they have to be able to manage that within the complexities of shared governance and convincing, not the entire faculty, at least the provost and the deans, to support moving in that direction over [funding existing programs].

***Summary of Additions.*** The advice provided by participants for other leaders managing financial instability again reflects the highly individualized nature of decision-making. Despite oftentimes facing similar challenges and scenarios, participants in this study have demonstrated that one's values, perceptions, experiences, and priorities can be substantially different, yet all still contribute to strong, viable, and positive leadership approaches. For leaders managing instability at any level of an institution or organization, this advice can serve as meaningful reflection points on one's own challenges, as well as one's approach to navigating them.

### **Research Question 1: How Decisions Get Made**

Research Question 1 asked how executive-level administrators at 4-year public institutions made decisions during periods of institutional financial instability in Texas. After discussing participant's values and perceptions, understanding the financial realities of their institutions and state, recognizing the influencers that affect their decision-making, examining how they utilize and gather information, and asking for their additional insights and perspectives on topics outside of the semi-structured interview protocol, a set of overarching themes emerged from the data. Although no two participants followed the exact same decision-making process at their institutions, five

themes are overwhelmingly present in the responses of all 13 participants. These five themes represent the primary clusters of participant's decision-making processes in response to financial instability at their respective institutions and are presented below.

***Theme: Ecological Systems***

Bronfenbrenner's (1979) definition of ecological systems highlighted the evolving interaction between individuals and the environments that surround them, both ones the individual directly engaged with and those they did not but still influenced the individual. Although no participant referred to Bronfenbrenner or his ecological systems theory by name, one common theme from participant responses centered on the environments and stakeholders that influenced decision-making. Throughout the interviews, all 13 participants discussed various internal and external stakeholders that must be considered when responding to situations of financial instability. Marshall shared the challenge these environments and stakeholders can cause for an institution's leadership:

I think the main thing people don't grasp about the presidency is the number of stakeholders a president reports to. Oftentimes the opinions of those stakeholders are diametrically opposed to each other. Take a student or a family, if you're talking about tuition, they want low tuition. If you're talking about a campus, it may want higher tuition because it wants raises. If you're talking about a board, they may want no tuition because it's politically disadvantageous. I have a group of about 12 different stakeholder groups. When you look at alumni, donors, athletic fans, students, parents, board members, community leaders, faculty, and staff, you're always balancing the opinions of about a dozen groups. That adds to

the complexity. . . . You're going to hit crises [from time to time] and you're going to have to figure out how to balance [the desires of these stakeholders].

This perspective was echoed by all participants, with each discussing various internal and external influencers. Internally, applicants made references to students, staff, faculty, other executive-level administrators, boards of regents or trustees, system administrators, as well as consideration of the institutional mission, purpose, strategic plan, and the performance and demand of educational and support programs. Externally, participants referred to politicians, accreditors, alumni, donors, the public, community leaders, and the influence of social media. For each participant, these entities had the potential to meaningfully affect both decision-making processes and outcomes. The effect of these ecological systems was sometimes positive, such as when they provided meaningful information, insight, or recommendations. At other times, these effects caused challenges for participants and their institutions, such as when they presented disagreement, political gamesmanship, or diverging preference response to problems.

Another way the theme of ecological systems presented itself was through the evolution of perceptions among some of the influencers. For example, several participants discussed the shift of education being viewed as a societal benefit to an individual one. Roland stated:

The biggest [shift] has been a shift over the last probably 20 years, and I think a lot of it has to do with public higher education justifying why students should invest in an education. We've touted how much your future earnings will be improved by this education, and therefore the public has not ceased, but declined, their view that a public education is a public benefit, and they now more see it as

it's a personal benefit. And when they see it as a personal benefit, they absolutely question why should the public pay for it. The individual student getting that education should be the one who pays for it because that's who benefits. And I think that that was a mistake. As such, that's not the reason why the states have declined support for higher education, but it allows them to do it without getting a lot of pushback from the public.

According to participants, this perceived evolution over time has affected many of the environments in which their institutions operate. At the state-level, this perception has potentially influenced the interest, enthusiasm, and priority level of higher education funding when compared to other state interests. Among students and their families, this perception has likely contributed to an increase in the financial burden that must be undertaken in order to attend colleges, which has become an area of significant concern for students, their families, and institutions in recent years (Barr & McClellan, 2018; *The Chronicle of Higher Education*, 2019b; Mitchell et al., 2016, 2017). For institutions themselves, as Beckett observed, this perception has led to a shift in the primary customer of the institution from the state to students and families, which influences decisions related to all facets of institutional operations, funding priorities, curriculum, and more.

Finally, one environment that was noteworthy for all participants was the political environment. All participants mentioned the upcoming legislative session beginning in early 2021 and the multitude of potential influences political decisions would have on one's institutional financial situation. In almost all cases, participants admitted that although the actions of state political leaders could have significant ramifications on their institutions, they had relatively minimal power to influence those decisions directly. This



directly relates to Bronfenbrenner's (1979) ecological systems theory, which explicitly highlights the influences of environmental systems on human behavior even when the individual has minimal or no direct presence within that system (e.g., most executive-level administrators are not directly advocating for their institutions to the governor).

Ultimately, participants conveyed the influence and impact of these environmental systems, and the entities within them, as having a substantial impact on decision-making in response to financial instability. In most cases, participants highlighted their efforts to engage with, and influence, these environments and stakeholders, such as through the utilization of recommendation committees comprised of these stakeholders, targeted communication and outreach programs, and intentional efforts aimed at collaboration, information gathering, and consensus building.

***Theme: Market Factors and Business Operations***

In discussing ecological systems and the influence of various entities on decision-making, one area stood out that warranted identification as a standalone theme. The concepts of market factors and institutional business operations played a frequent, meaningful role in participant's discussion about decision-making and budgetary allotments during periods of financial instability. Bellamy presented a perspective on this reality at a macro-level:

I do think the financial reality is reflective of society as a whole. There's a shrinking middle class and I think that's coming to play into regional universities. There is an upper class and there is a large lower income segment that's probably still growing. So what's getting squeezed out is the middle class. The low income [students], even though there's a lot of financial aid, there is debt associated [with]

that financial aid and so they're concerned about strapping themselves with debt and wondering if they can afford it. So, we're not immune to what goes on in the country from a financial standpoint, and what's going on in the country is a shrinking middle class. . . . certain areas of the country have higher incomes, therefore their upper middle class or middle class is doing okay. Other areas of the country, they're struggling with growing homeless populations, they're struggling with unemployment. And so that comes into play as far as where the people believe they can go to college.

COVID-19 is perhaps the best example of an environmental influencer that can have wide-ranging effects on an institution despite executive-level administrators' limited ability to address the root cause of those influences directly. From the perspective of business operations, participants reported significant changes to operational modality (e.g., course instruction, staff working from home, university events), implementation of various student services (e.g., food service, residence life), reductions of institutional auxiliary revenues, and shifts in how institutions hire staff, utilize buildings, navigate their budgetary processes, and utilize technology because of COVID-19. From the perspective of the market for higher education, COVID-19 also influenced student perceptions of going to college. Multiple participants reported a decline, especially in freshmen students, in spring 2021 enrollment when compared to fall 2020. This decline was largely attributed to students' opting out or delaying a return to school because the online experience was either educationally ineffective or lacked sufficient comparison to various face-to-face components of the college experience.

While some participants discussed market factors from a big-picture perspective of higher education, others discussed the influence of market factors in a more individualized way. Adama mentioned factoring program enrollment data heavily when determining whether to fill vacant faculty positions and shared that several positions had been reallocated to higher-performing areas. In discussing some of the business and funding decisions they made, Adama noted:

I think it comes down to return on investment. What's the return on investment? If you want to you can justify everything in terms of serving the students, but some things are more effective at that than others. We've also thought about what is the most bang we're getting for our buck. That doesn't work for everything, because there are some programs like English [that] is never going to be a big moneymaker, but we've got have it...but for things that are not so central to the core curriculum. The nice to have things. That's where we really got to really drill down and say is this is essential, or is it nice to have?

Other participants shared similar perspectives, highlighting the importance of program quality in budget allotments, as well as prioritizing funds for programs that were in high demand, nationally ranked, and highly competitive. One participant stated, “You never want to put your money in your weakest department because it just costs you too much money and you don't move anywhere,” indicating market factors of performance and demand play a meaningful role in budgetary decisions. Some participants focused on market factors and business operations through a long-term lens, emphasizing 5 to 10 year student recruitment strategies, diversification of revenue sources (e.g., tuition, fees, auxiliary, athletics, research grants, community collaborations), and questioned how

COVID-19 would influence external market factors and business operations that influence higher education funding in the future (e.g., state tax revenue from oil, tourism, dining, and sales).

Several emphasized market factors through the lens of students, highlighting a perception that like institutions, students also need to consider college through the lens of a business decision. Lincoln explained:

There are degrees where you can go out and not get a job. . . . I think COVID, in some ways, reinforces the importance of the economic calibration of a decision to study at the university, and also what to study. Do I go? Number 1. Number 2: What should I study?

Several participants mentioned market factors such as debt incurred, earning potential, and the future job markets for certain degrees as meaningful factors in a student's decisions to attend college and what to study while enrolled. Although a student's employment opportunities, earning potential, and debt loads were frequently mentioned by most participants, others highlighted quality of life data associated with earning a college degree. Participants noted that individuals with a college degree have greater longevity and life expectancy when compared to those without, making the decision about whether to invest in college more than a strictly financial decision.

Overall, participants reported the influence of market factors ranging from state-wide issues to individual student concerns as playing a significant role in institutional financial instability and executive-level administrators' responses to it. Additionally, participants highlighted the considerable influence these market factors had on the business operations of their institutions. Combined, these factors coalesce into a series of

considerations that require attention from executive-level administrators as they navigate challenges related to financial instability.

***Theme: Complexity, Uncertainty, and Ambiguity***

In attempting to navigate the aforementioned environments, stakeholders, and market forces that public institutions are connected to and influenced by, participants often acknowledged challenges related to complexity, uncertainty, and ambiguity. For participants, these challenges manifested in a variety of ways. For some, there was a heavy emphasis on uncertainty and ambiguity in the information gathering process. Several participants highlighted the challenges, especially during the initial COVID-19 outbreak, of not having an accurate sense of true danger of the disease, especially in the context of health and safety implications for students, faculty, and staff. Others explained that when the state of Texas implemented its 5% budget cut in May 2020, there was uncertainty as to whether that would be the only cut or the simply the first.

Those uncertainties were exacerbated by unclear and ambiguous communication from state officials, who were also attempting to manage their own uncertainty about the long-term financial implications of COVID-19 state-wide. This complicated decision-making, leading to inconsistencies across the 13 participants when it came to response actions, especially when determining whether to cut the state mandated 5% or more from their budget. Sawyer noted that preparing a response amidst this type of uncertainty and ambiguity is challenging, “Data and predictive analytics are based on historical analysis, and when the current events have no precedent in history, we just can't rely on them.”

Perhaps the largest area of uncertainty and ambiguity came in the form of Texas’ 2021 legislative session. All 13 participants shared uncertainties as to the potential

outcomes of Texas' upcoming legislative session and projections of outcomes ranged from near certainty that it would be the worst session for higher education in decades to mild optimism that the financial situation in Texas was not as bad as initially projected, and therefore additional budget cuts might not be necessary. Further, several participants noted the potential for Texas to utilize its rainy-day fund in response to the state-wide challenges created and amplified by COVID-19, believing that if Texas did so additional funds might be available to public institutions of all types.

Additionally, many participants questioned the future of higher education collectivity and their institutions specifically. Anderson summarized many of these institutional uncertainties, stating:

The real question that's on everybody's mind is: what's going to happen when this all settles out assuming, the vaccines are effective, assuming COVID goes away, assuming we don't have anything significant like this? Will we ever get back to normal? Will there be a group of students who, from a financial perspective, want a [institution redacted] degree, but they're comfortable with online education? We have now some increased capabilities to deliver online education. Will we have a much smaller residential population on our campus, which is going to significantly impact our housing, dining, and parking operations? The academic side should be fine because they're still going to collect tuition dollars. The faculty would be fine. They're still going to be doing their teaching. But what's going to happen with respect to auxiliaries? [If there is demand for expanded distance options], is that a path that we choose to go forward with? That's a question that [our president] will have to deal with at some point in time.

Other participants noted that the shift to online or hybrid modalities due to COVID-19, for both course instruction and employee work, has the potential to have long-term implications for higher education, especially as it relates to physical plant institutional investments. Multiple participants shared that the decisions made, or being considered, would remove construction projects from their institution's master plan and allow up to 35% of employees to permanently work from home. Several participants concluded that it was tough to predict what their university will look like in the future as a result of the disruptions caused by COVID-19.

A final concept of emphasis related to uncertainty and ambiguity stemmed from not immediately knowing whether or not you have made a good decision. Participants noted that amidst crisis or uncertainty, oftentimes the situations, and the information you have available, continue to evolve after one's initial decision is made. To manage these uncertainties, participants noted several strategies. Finley shared their approach:

When you make decisions [amidst uncertainty] you make it very clear that we are making the best decision we can with what we have. It'll be subject to a sunset of maybe a year out, or six months out or three months out depending upon the nature of whatever it is you're deciding, so that you're able to revisit it and make a call if you need to either revamp or discard [that decision], or now you have access to available data didn't have before.

Others shared similar viewpoints and discussed the importance of being nimble and agile in response to new information and advocated, as best one can, to not make a decision that left you no room for flexibility. Several participants highlighted the importance of making decisions that respond to the moment but being aware of how those decisions

might impact long-term desired outcomes for the institution, noting that years of progress can be undone quickly if executive-level administrators do not concurrently consider immediate institutional needs with long-term goals.

The concept of complexity permeates the research of organizations, higher education, finance, human behavior, and decision-making (e.g., Barr & McClellan, 2018; Bolman & Deal, 2017; Bronfenbrenner, 1979; Goldstein, 2012; Hendrickson et al., 2013; March, 1994) and was frequently discussed by participants. Two primary facets of complexity were discussed: the first focused on the navigation of a multitude of internal and external stakeholders who often have divergent or competing priorities. The second involved the complexities associated with information gathering and making decisions with incomplete or unreliable information.

While both concepts have been explored in previous sections of Chapter IV, some participants highlighted other challenges related to complexity that are noteworthy. Several participants discussed institutional financial instability leading to conversations and actions related to institutional reorganizations, shifts to how budgetary processes and policies are written and implemented, and reconsiderations related to the centralization or decentralization of revenue and expenditure ownership. In addition to having significant implications for institutional operations, considerations like this also have the capacity to impact a variety of institutional structures and human resource realities, making decisions related to these areas highly likely to create intended and unintended consequences that must be considered prior to finalizing a decision.

Other participants discussed the complexity that comes from the domino effect of decision-making. Beckett highlighted this idea, stating:



Each decision builds on another. People pretend that they can make nine choices, all at once. We're going to implement this, this, this and this and the practical matter is, you can't. Particularly in an organization like the university because it's such a [complex], slow moving beast that you have to be careful.

Some participants conveyed similar ideas, noting that decisions had to be made carefully because decisions made in the present have the capacity to limit or expand your decision-options in the future. Although all participants acknowledged the importance of making informed, planned decisions, some participants echoed the sentiments of many researchers (e.g., Bolman & Deal, 2017; Chen, 2013; March, 1994; Osborne & Rubinstein, 1994; Rubinstein, 1986; Schwenk, 1984) related to the process of simplifying complex issues into more manageable problems. Beckett warned against being overwhelmed by complexity, stating: "I think trying to recognize the complexity in every decision will sub-optimize every decision." While Harlow explicitly highlighted the importance of simplifying complex issues in response to interview question 8:

I think that it's important for any leader, or anybody, that is trying to make a decision, you have to simplify very complex environments. You have to be able to distill the core of the issue that you're trying to solve.

Participants with experience serving as faculty or academic leadership (e.g., department chair, dean, CAO) mentioned the complexities that tenure can provide amidst financial instability, especially if faculty have different perspectives on what constitutes an effective response compared to the decision-makers. Participants noted that tenure can give faculty a feeling of insulation against consequences to their actions as well as create a divide between faculty who have tenure protections and others (e.g., tenure track

faculty, adjunct faculty, and staff) who do not. This can create disproportionately heard voices during information gathering and communication processes, as the protection tenure provides allows those individuals to speak up and resist decisions they might disagree with while other populations potentially remain silent out of concern of repercussions. These dynamics have the capacity to complicate executive-level administrator's decision-making process, especially when those decisions affect academic affairs broadly, or faculty individually.

While navigating environmental factors, competing interests from a variety of internal and external stakeholders, challenges related to information gathering, and one's own values, principles, and philosophies, executive-level administrators reported complexity, uncertainty, and ambiguity as daily realities that played a central role in the navigation of financial instability and the decision-making processes used to respond to it. Ultimately, participants acknowledge these realities can be navigated through actions such as problem simplification, collaboration, purposeful communication, and increased intentionality behind information gathering methods, but these realities cannot be fully eliminated and therefore must be consistently managed.

***Theme: Inclusion, Consensus, and The Trinity***

In navigating these various concepts related to decision-making, participants broadly emphasized three concurrent pathways by which decisions were ultimately made. These three pathways of inclusion, consensus, and the decision-making trinity of the president, CFO, and CAO were utilized to establish coherence and direction amidst the experienced instability and the factors associated with it to arrive at a decision. This

section will examine this decision-making theme and provide context on how each of the pathways were utilized by participants.

All participants discussed the importance of involving others in decision-making processes that respond to financial instability and affect the institution. Adama explained this mindset, noting:

I try not to make decisions in a vacuum. I recognize that the decisions that are made in academic affairs don't just affect academic affairs, they affect finance and administration, they affect student life, they affect enrollment management, they affect advancement, certainly. I also want to loop the Chancellor, especially if I think it's going to be a decision that people aren't going to like. Also, I try to have a rationale for what I'm deciding and a way of explaining it because people, while they may not like a decision, I think it's much more palatable if they understand the rationale behind it and when you're provost, you have to say no to a lot of things and you have to make a lot of decisions that people aren't going to like. I just try to do it with as much integrity as I can. . . . I think it helps [to bring others to the table]. They want to know that they've been heard and acknowledged even if you can't fix their problem. I think also, cultivating an atmosphere of respect, that we're all in this together and care about the students, in a basic way, helps.

All participants expressed similar perspectives related to inclusion through different methods. A noteworthy example was provided by Anderson, who discussed a one-day budget session with divisional and department leaders where each leader had approximately five minutes to outline their budget requests for the next year, highlight what they were funding and cutting, and make requests for the upcoming year. Anderson

noted that in addition to providing a more inclusive and transparent budgetary process, there was also strategic value in the approach, and executive-level administrators making final budget decisions could use those presentations to identify funding efficiencies and collaborative opportunities. Additionally, Anderson shared that these presentations serve as an effective way to convey the shared pain that is experienced during financial instability:

[This process is helpful] particularly when we have cuts and every dean has to see that every other dean is having to make sacrifices. Also, because there's this perception among the vice presidents that they bear the brunt of the cuts, it's important to let them know colleges are impacted as well. . . . It's just really important for everybody to know that in bad times, everybody is sacrificing, and other people are making do with less, and you know it. No one likes doing that, but if they know everybody else is sacrificing as well, it makes it a little bit easier.

In discussing who was sought out for inclusion during instability-driven decision-making, participants often echoed their prior responses related to institutional stakeholders, both internal and external. Faculty and student government bodies, such as faculty senate and student government, were often mentioned. Academic leadership in the form of department chairs and deans were also commonly discussed. Many participants highlighted the inclusion of various staff in topic-specific decision-making (e.g., utilizing the director of a diversity and inclusion office when making a decision tied to diversity and inclusion). Additionally, many participants mentioned the creation of specialty short- and long-term subcommittees that were utilized to gather information, analyze solutions, and recommend decisions to the cabinet related to a specific facet of

campus (e.g., COVID-19 response committee, information technology committee, institutional operations committee, curriculum). While most internal stakeholders were described as being directly included in decision-making process, most participants discussed external stakeholder inclusion, in practice, as notifying those stakeholders of major updates but rarely utilizing their input in decisions unless there was a special circumstance (e.g., governors decree, accreditation implications, significant community impact).

Participants stressed the importance of inclusion for several reasons. Duncan noted the inclusion of others allows for a greater sense of university operations to be understood by those who do not necessarily operate in the environment daily:

One of the things we try to do, we have something called the university budget advisory committee, which is made up of students, staff, faculty, finance and administration. I'm on it. There are representatives from every aspect of the university, and we do that because first of all it's a good way for them to understand how the university works. It also sort of democratizes [decision-making]. Also, we only have a certain amount of money available and they can see it firsthand. So the faculty sends one person. Student Government has somebody there. We work them hard.

Harlow shared a similar perspective when discussing their institution's leadership council made up of vice presidents, the CAO, deans, as well as faculty and student government representatives. In meetings, issues facing the institution would be discussed and decisions would be explained to these internal stakeholders. Harlow noted that bringing that group to the table had multilayered benefits including providing a transparent

perspective of institutional operations, an opportunity for executive leaders to receive valuable feedback, and the creation of a shared sense of responsibility for the institution's wellbeing across stakeholder groups.

One additional approach to inclusion was noted by participants, the importance of effective communication both during the decision-making process and especially once a decision has been made. A few participants underscored the problems that can arise when stakeholders are not included, and many provided examples of faculty being upset they were not better informed during major institutional decisions in the early stages of the COVID-19 outbreak. Some shared that their institution's communication strategies were an important part of the decision-making process because campus-wide individual attitudes amplify once a major decision is made public. Many noted the importance of making sure your campus leaders, who may not have been directly involved with the decision at hand, were not blindsided and caught off guard. For that reason, several institutions often communicated decisions to mid-level leadership a day or two in advance of a public announcement, so those faculty and staff had an opportunity to digest it, provide feedback, and seek clarity if necessary.

Once the right people had been included in the decision-making process, participants emphasized the importance of consensus building. Consensus building was mentioned by almost all participants, but the specific reasons or desired outcomes from it often varied. Cohen echoed the sentiments of many participants regarding the importance of consensus building, noting:

In large measure, if you want something to be sustained in higher education, you have got to have some consensus around it. There's just no such thing as a

mandate in higher education. There's really no one on campus that can do it and sustain it. So the goal was to get the thought leaders together so when we came out with decisions that were not going to be popular we had [senior leadership] all saying look we this is the best we can do. We know you don't like it, but this is the best we can do. So I think you have to, even if your tendency to revert back to what's more comfortable, I think you have to stay the course. It takes more time to reach consensus, but the outcome is always better if you can if you can do that.

Other participants described similar consensus-seeking processes as socializing decision-making, allowing executive- and mid-level leaders to understand, comment on, and be aware of decisions being considered in response to financial instability. For some participants, consensus building efforts focused less on individual decision-making and more on the big picture and guiding principles of the university (i.e., mission, vision, values, and purpose statements). At the onset of, and throughout, the COVID-19 outbreak, participants reflected that consensus building conversations were “daily, often, and critical to operations and decision-making”.

For many participants, notions of consensus building were conveyed through less direct comments, often highlighting the importance of “talking things through,” “ensuring all voices were heard,” “providing opportunities for mid- and high- level leadership to provide input,” or to “ensure there is a baseline of understanding” for decisions that were about to, or had just been, made. One area of commonality for many participants emphasized consensus building related to the navigation and mitigation of conflict and interpersonal political gamesmanship. Cohen represented the perspectives of several

participants who used the consensus building process to help navigate conflict and gamesmanship:

[Conflict and gamesmanship] happen all the time. You have to let [people] state their case. Get it out. You have to listen, but then at some point you have to say, okay, thank you, I've listened but this is what the decision was and we're not going to change the decision for you. I can empathize with where you're at, but everyone else is in a similar situation, so you have to come back to we're trying to safeguard the university. That means everybody makes this sacrifice and we've got to figure out how to do that collectively, because if somebody gets a pass then the whole thing starts to break down. At the same time if they make a point that hadn't been addressed, or suddenly you have a data point that you didn't have before, you should factor that in.

Others shared a similar sentiment, noting the limitations and opportunities that are afforded through consensus building. In one way, they argued consensus building often stands in opposition to institutional flexibility and speed, having the potential to slow and reduce the efficiency and effectiveness of decision-making. Alternatively, applying different levels of weight to the voices involved in the decision presented the possibility of mitigating conflict and gamesmanship. Beckett explained:

I think as you get more and more people involved in decision making, particularly substantial decision making, it can influence resource allocation or decisions about service delivery, and that you're going to get that sort of [conflict and political] dynamic. You really have to let the person who is your subject matter expert to have a louder voice and a bigger vote than everybody else. We have 11



different opinions and we have three people are involved in this every day. And so, what president says is, I'm going to have a small group discussion [with] these three people that do this every day to come together to help me decide. You will not get an effective decision if 11 people make it. What you'll get is an average decision designed to not hurt anybody's feelings or injure everybody as little as possible. [It's not that lesser voices] don't get heard, [it's just that] not every not every voice has the same weight.

Finally, two participants who served as institutional presidents acknowledged the executive-level administrator's ability to remain employed at their institutions was highly dependent on their ability to contribute to consensus building, even when they disagreed with the final decision. Marshall stated:

We keep talking about [our disagreements] until we reach as close to consensus as we can. That's how you build, but a lot of that depends on what team you've built. If you've built a team that protects its own turf, then you're going to get that. If you've built a team that realizes the greater good benefits everybody [then you're likely to get that]. I haven't faced arguments like that with my current team, but I faced it with the team [I inherited when I became president]. They're not here anymore.

Lincoln shared a similar experience, stating that they do everything possible to avoid a personnel change, but at times they are required when a direct report is not on board with the big vision and direction of the institution. Lincoln reported making three changes to direct reports during their time as president.

The concept of consensus building was key for a majority of participants. Despite some acknowledgement of limitations or exceptions to consensus building initiatives, all participants appeared to agree with the notion that having increased and diverse involvement, opinions, perspectives, and feedback had a positive influence on decision-making processes and outcomes in the majority of situations. For some participants, it was noted that increased inclusion and consensus building was more important during periods of instability or crisis, as these initiatives allowed for a perception of increased institutional transparency and the opportunity for more leaders to be aware of, and involved in, decision-making and response initiatives.

Although participants discussed the importance of inclusion and consensus building initiatives being included in decision-making processes, it was evident from all participants that the final act of making decisions was generally not an inclusive process. While information gathering, discussion, debate, recommendations, and feedback related to decision-making were largely open, inclusive, and consensus oriented, decision-making authority ultimately rested in the decision-making trinity: the president, the CAO, and the CFO. Cohen highlighted the importance of the decision-making trinity, noting:

I think no real change is possible, and no really good decision making can be done, without alignment of the President, the Provost, and the CFO. I think that when you find that alignment in a university, innovation is easier to achieve.

Understanding of what the mission is much more clear, because then you've got the person managing the money, the person who manages the largest part of the portfolio, and the president not working at odds. . . . I do believe that if you really want to optimize decision-making in higher education, especially related to

finance and strategy, the alignment of . . . the CFO, the provost, and the president [is key]. If they are in alignment change can happen, if they're not in alignment. I guarantee you change won't happen. . . . It's like Congress. Nothing happens because everybody has just enough power to stop the others, and so it's important that, as you think about decision-making and higher education, that's a key component.

Although participants generally acknowledged final decision-making power rested with the president, some areas of decision-making existed where CFOs and CAOs either had direct decision-making power, or, as Beckett stated, a powerful “bully pulpit” in order to advocate for their position and get things done. One CFO described having minimal direct decision-making power, but shared that when it came to institutional finances, they put the flag in the ground and others could try to move it. Other CFOs who participated in this study shared similar perspectives, noting that they simply make recommendations, but that those recommendations are almost always fully implemented in the president’s decision. Among participants who served as CFOs, there was also a common distinction made associated with their decision-making authority. When decisions related to high-level, institution-wide financial decisions, such as when determining how much should be added or cut from the institution’s total budget, CFOs often reported having a high level of authority to outright make, or highly influence, those decisions. However, when decisions related to what areas would receive those additions or cuts, CFOs often reported that those decisions were often outside their arena. Sawyer explained:

[How cuts were implemented was] delegated to the divisional vice presidents and deans. They were the ones who had to decide of where and how to cut. The CFO role, in my opinion, should be limited to determining what the extent of the cut is by quantifying that number. The decisions on strategy at the service delivery level cannot be centralized at the CFO, they have to be delegated down to the decision makers, because they're the ones who are going to have to operationalize it.

Both participants who served as CAOs reported having an immense amount of decision-making authority related to academic affairs. Kennedy acknowledged that they were provided the dollar amount needed to cut from academic affairs in response to state budget reduction, but when it came to deciding which academic areas received cuts, and what was cut, Kennedy had decision-making authority on those decisions. Additionally, Kennedy noted the decision to transition to online-only instruction after spring break during the initial days of the COVID-19 outbreak was made by them. Adama also shared that their decision-making authority within the area of academic affairs was substantial, oftentimes not requiring presidential or cabinet approval. When asked if their decision-making authority was grounded more in recommendations or final decisions, Adama replied:

A lot of it is final, where I'm the final decision maker, and depending on what it is I'll inform the [the president] and the CFO. Other things might be more of a discussion, where I'll make a recommendation or, especially if it involves taking money out of our reserve, that's definitely not just me. [The president] has got to be on board with that, and the CFO, for sure, because we have to justify that. So [my authority] really depends on the nature of the type of decision.

Presidential perspectives related to the division of decision-making power across the trinity generally fell into one of two factions. The first faction acknowledged the importance of balanced decision-making authority across the trinity and importance of involving others in the decision-making process, especially when it came to budgetary decisions. This perspective is best articulated by Marshall:

I actually don't think it's a good idea for the president to make all the decisions on budget. I think a group that has students, faculty, staff, deans, and vice presidents in it [is best]. They look at all the material I look at, and they forward their priorities to me. And every year I've been here we have followed the priorities of the budget oversight committee. I think that work is really important to not unsettling a community when you reach a tight budget situation because so many people are aware of it, they see it year after year. They know what can happen and they have a voice in it. I just think you have to really rely on your cabinet and work as a team. I'm a big believer in shared governance.

The second faction recognized the importance of inclusion and multiple perspectives, but ultimately perceived the president as being the foremost accountable individual to the overall wellbeing of the institution. For this reason, although governance of the institution is shared, recommendations are ultimately made to the president who then makes, or approves, a final decision. Lincoln best represented this faction's perspective, stating:

This is a concept that I've used for a long time: there are various stockholders on the campus. When I sit around with the vice presidents around the conference table, that's basically 100% of the stock when students are represented, staff, faculty, and university leadership. But here's the deal. I own 51%. Because it's my

name. Ultimately, I'm held responsible for the decisions that the campus makes, and I treat that very seriously. I want to all the input I can get, but eventually I will have to make a decision. Somebody has to do that. I don't run the campus by votes. I just don't do it. I think people would say, I listen, and sometimes I follow the council that I get collectively and sometimes I might push back a little bit.

Finally, it is important to note that many participants referred to the primary decision-making entities on campus as being the president, CFO, CAO, and occasionally one other entity. Who the fourth primary entity was held no consistency across the participants that mentioned a fourth entity, with no single entity being mentioned twice across participants. The entities mentioned included a vice president for information technology, a vice president for student engagement, a vice president for enrollment management, a dean of an institution's largest college, as well as one institution's highly engaged faculty senate. It is important to highlight that, according to participants, widespread decision-making authority exists across the entities of the trinity, but in most institutional environments decision-making authority is in no way limited to those entities only. This reality among participants highlights the importance and relevance of inclusion and consensus building in the decision-making process, especially during periods of financial instability.

***Theme: Opportunity and Mission***

The final theme to emerge from participants centered on the purpose of an institution's existence and the potential opportunities to serve that purpose even during periods of instability or crisis. All 13 participants made multiple direct and indirect statements related to the importance of grounding decision-making, especially in

response to instability or crisis, in the tenets of an institution's mission, vision, purpose, and strategic plan. Additionally, almost all participants acknowledged that periods of instability or crisis can oftentimes provide opportunities to pursue the institution's purpose in new ways, or address long-standing problems had been avoided, but became amplified due to instability or crisis.

Despite the various challenges associated with periods of crisis and instability, participants frequently acknowledged opportunities that had come from the emergence of COVID-19. Participants described the disruption of COVID-19 as having "open up the floodgates" in terms of decision options, allowing executive-level administration to think outside the box and attempt to provide various institutional services in innovative, efficient, and less infrastructure heavy ways. Several participants mentioned decisions that were made in response to COVID-19 that had been swiftly denied only 1-2 years earlier, such as technology expenditures, staff telecommuting options, and various decisions related to institution's physical plant.

While not all participants described their perspectives of COVID-19 as having opened the floodgates, many acknowledged periods of crisis and instability are the perfect time to make strategic investments. Roland shared:

Now it's not the time to restrict the budget. Now is time to pump money into the economy. We kind of took that approach on our campus. I tried to be transparent and say it in as many settings as I could, that there's two paths we could choose: to restrict spending and hold on to our reserves, or we can choose to invest and try and support our students and our faculty to a path that's going to strengthen our university when we come out of this pandemic. We're choosing this path, but

know, we're burning through our reserves, not too fast, but we need to have a return on this investment. So, there's going to be strings attached. We're going to have to demonstrate that we're really supporting our students and we're supporting our faculty in their mission.

Several participants seeking opportunities and making investments noted that, in their perspective, an institution's fund balance exists for a crisis that, like COVID-19, affects every facet of campus over a long period of time. Others shared that historically, all periods of financial crisis are followed by periods of strong growth. These participants all acknowledged taking advantage of these opportunities required a strategic approach so that viable opportunities could be identified and invested in, while less viable ones could be recognized and avoided.

Participants discussed many opportunities they were pursuing as a result of the COVID-19 global pandemic. Many discussed new partnerships with community agencies, especially related to public service, such as community food pantries, police training, and collaborations with stakeholders such as city council, the local chamber of commerce, and creating efficiencies in public transit. Some noted discovering new revenue sources, especially through operational and research grants. Several institutions noted internal opportunities, such as altering budget rules, updating hiring policies and procedures, and implementation of post-COVID-19, long-term telecommuting opportunities for some staff. Some participants also noted alterations to the institutional structure, such as reorganizing departments and staff or taking steps to increase efficiency and effectiveness through targeted centralizing and decentralizing of operational processes. Beckett discussed the opportunity to for institutions to “prune the tree” during



periods of instability, and to integrate these program assessments and cuts even when institutional finances are more stable and healthy.

Finley warned against institutions pursuing opportunity for opportunity's sake, and argued that all opportunities pursued by institutions in response to instability needed to be grounded in the mission and purpose of one's institution:

As a leader in higher education, as you look at identifying areas of sustainable differential advantage, [you need to do] that in the context of a strategic vision for the institution instead of just simply being opportunistic. [If you don't], you end up with a collage of unrelated activities that the university is doing that, at the end of the day, do not have the efficiencies and effectiveness you need that is sustainable long-term. Whereas institutions that have stayed the course and have found key niches, and are continuing to deliver on them, recognizing that they may need to change as times and demands change, they have tended to weather the storm better than others.

This emphasis on institutional mission and purpose was a common topic of discussion amongst participants. Participants' utilized broad language in discussing this concept, including speaking to the importance of the institutional mission, purpose, core values, vision, motto, and strategic plan when navigating decision-making during instability and crisis.

Participants discussed the importance of the institution's mission in a variety of ways. Roland argued that the institution's mission should permeate decisions at every level:

I get some confusion from people at times because we'll have a meeting and it's designed to solve one small problem. And I'll start talking about the big picture vision, five years from now, of where we need to be at. And they'll go, I'm confused. Why are we talking about that we're here just to solve this. They don't understand. When I make decisions, I may have two [viable] options. They both solve the immediate problem but option B gets me closer to the end state that we're trying to get to, so I go with that decision. Then people can understand it and be on board with it and hopefully they start making decisions in that light.

Several participants noted that during periods of uncertainty or instability, re-emphasizing the institution's mission is an effective way to find direction and clarity. Participants noted that returning to the mission can answer a lot of questions, such as: what are we trying to achieve? Who are we trying to serve? Why do we exist? What good do we do for society? With answers to these questions, many participants feel decision-making processes are greatly improved.

Some participants noted the act of coming back to an institution's mission can serve as mitigation to conflict and political gamesmanship. This perspective was best summarized by Roland:

I think the best way to manage [conflict or gamesmanship] is when you have an agreed upon set of goals or targets and you can do an objective analysis: are we working towards those or is there something else at play? And when you have that conversation, you'll pretty quickly see people withdraw their points if they can't make a rational argument as to why this is towards the institutional goals. That's where a document like a strategic plan is really helpful because that's something

that, even if you weren't here when we wrote it, when you accepted your job here you accepted those as our institutional values and therefore, we're all committed to working towards those. Then you just force the conversation of, well, how does [your argument] support those values? It gets really hard for people to continue to support personal agendas when you force a conversation around agreed upon targets.

Other participants discussed the importance of not confusing mission with tradition, arguing that during times of financial instability traditions that do not serve a critical, strategic purpose to the institution should be considered for resource reduction prior to mission-critical initiatives. Ultimately, participants agreed that those involved in decision-making activities must keep at the forefront of their minds and avoid decision-making that emphasizes the individual or the individual's department or division.

### ***Theme Summary***

The themes presented in this section outline the primary methods through which executive-level administrators navigate decision-making processes. It is important to note that no identifiable, linear process was identified with these themes. Executive-level administrators are concurrently navigating ecological systems, environments, and influencers, weighing and analyzing market factors, gathering information to mitigate uncertainty, seeking input from institutional stakeholders, orienting themselves to the mission of their institution, and considering opportunities to improve their institutions and its services to stakeholders as they navigate institutional operations during financial instability. As these processes play out, decisions are often being made on an hourly basis, not only by the executive-level administrators examined in this study, but by

countless individuals across campus. These decisions, at all levels, coalesce into an institution's response to hardship, instability, or crisis.

### **Research Question 2: How Decision-Making Differs During Instability**

Research Question 2 asked participants how decision-making processes of executive-level administrators at 4-year public institutions in Texas during periods of institutional financial instability differed from decision-making processes during periods of institutional financial stability. To address this question with participants, interview question 6, which asked about executive-level administrator's decision-making process, included a standard follow-up question about the decision-making differences participants experienced during periods of instability and stability. Initially, most participants supported the idea that the differences were minimal, however, throughout their explanations, several subtle differences were revealed.

Three participants indicated decision-making processes were noticeably different during periods of financial instability. Although these participants acknowledged that procedurally, from a budget perspective, there were no changes, they highlighted several differences that existed outside of institutional policies and procedures. One such difference was the sense of clarity that comes during periods of instability from knowing what your challenges are that require attention, which can be more difficult to identify during periods of stability and growth. Another difference stemmed from the stress levels surrounding the process, especially in the context of budgetary decisions, during financial instability. One participant noted that periods of instability tend to disrupt established decision-making structures, reduce collaboration, and increase conflict. Finally, Beckett noted decision-making and budgeting is generally more structured and more highly

democratized during periods of stability. Finley perhaps provided the most comprehensive perspective on how budget processes during periods of stability and instability are similar, yet meaningfully different:

I'd argue that all the pieces to the puzzle are there. You've still got all the players that are at the table. The issue is the extent to which you are dedicating yourself to task-specific protocols pertaining to issues that are forcing your hand. So COVID hits, and I'm now going to assemble an entire team to deal with the management of the space. Of course, I don't even think about costs at that point, because at this point the critical issue is making sure it's safe and secure and that we can continue with the provision of educational product. I'll figure out the cost later. During normal periods, you would be looking at cost and the decision kind of simultaneously, and it'd be a far more balanced economic model decision-making process. When you're in crisis . . . it doesn't really make a difference what [decisions are] going to cost me. I've got to [respond]. I've got to protect my people. I've got to manage the space. I figure out the cost later. . . . you do what you have to do at the moment. That's the difference between managing a crisis where you're not really operating with a balanced economic model, you suffer the consequences later.

The remaining participants stated that the decision-making processes of executive-level administrators were not changed based on institutional stability or instability. Harlow, echoing the advocacy of Goldstein (2012), noted that the decision-making and budget allotment processes and procedures set up during periods of financial stability should not be deviated from during periods of instability because buy-in and

trust in those processes had already been achieved. Other participants echoed similar perspectives, nothing that processes should not change, but management of stress and emotions are critical to ensuring an effective response.

### **Application of Bolman and Deal's Four Frame Model**

Bolman and Deal's (2017) four frame model provides four distinct approaches to operationalizing, identifying, and analyzing the varying and complex influences that affect individual and organizational values, actions, and behaviors. The structural, human resource, political, and symbolic frames emphasized by Bolman and Deal (2017) allow for deconstruction of complex organizational systems while simultaneously allowing for values, actions, and behaviors, via decision-making, to be identified. Although no participant directly discussed any concept of the four frame model, the theory dominated participant's responses. No single frame stood out consistently as being more or less relevant. In the following sections, participant references to each frame will be summarized.

#### ***Structural Frame***

The structural frame is primarily concerned with how work is divided and coordinated with respect to putting people in the right roles and serves as a framework for an organization's strategic goals as well as a blueprint for how internal players and external constituencies engage with the organization (Bolman & Deal, 2017). Additionally, Bolman and Deal (2017) noted that periods of volatility inherently impact and necessitate change within the structural frame. Participant references to structural changes during their institutions current state of financial instability took a variety of forms.

References to COVID-19 dominated participant's connections to the structural frame, as the COVID-19 outbreak comprehensively reshaped how constituencies of all kinds, and especially students, engaged with their respective institutions. Furthermore, COVID-19 presented unexpected, long-term changes to faculty, staff, and administrative roles, responsibilities, and relationships that also fall under the structural frame.

Examples of online instructional modality, remote work, and social distancing practices all affect how an individual, regardless of role, interact with the institution. Additionally, student engagement and support services were meaningfully impacted by the outbreak, changing how students build connections with the university (e.g., social events, student organizations, athletic events) and how they seek support from it (e.g., academic advising, mental health services). Perhaps the greatest examples of student engagement structural changes due to COVID-19 are the shift of foundational college experiences, such as new student orientation and commencement activities, to online formats.

While the immediate social distancing and online modality of instruction, work, and events were common topics of participant's discussion tied to the structural frame, many other decisions contained structural implications for institutions. Responses related to institutional reorganizations reveal significant changes to organizational structure. Additionally, reports of hiring freezes, layoffs, early retirement programs, and elimination of vacant position, while more centrally related to the human resources frame, and immense structural implications as departments and programs are potentially eliminated, and those that remain must manage roles and responsibilities with reduced staff. All participants highlighted changes to institutional budget processes, expense monitoring (e.g., increased scrutiny on large purchases, elimination or reduction of travel,

food, and event budgets), and reduction of divisional and departmental budget lines, all of which affect structural frame concepts like institutional strategic goals, individual roles and responsibilities, and how constituents and stakeholders of all kinds engage with the university.

Although most of the structural changes mentioned by participants were part of an immediate response plan, some structural changes have long-term implications for both participants and their institutions. Five participants made references to making significant investments in technology services, including technological infrastructure, hardware, software, and faculty, staff, and student training in part to help address the challenges of COVID-19 but also as an investment for the future. Each of these participants conveyed a projection that the percentage of online or flex classes will not return to pre-COVID-19 levels in future academic years. The structural implications of largely expanded online instructional modalities after the outbreak is immense. In anticipation of these implications, some participants shared their institutions are already making alterations to construction plans, with three participants revealing plans are already in motion to delay or eliminate plans to build new buildings and parking lots due to an anticipated reduction in need as more students, faculty, and staff work remotely.

Bolman and Deal (2017) acknowledged that periods of volatility inherently impact and necessitate change within the structural frame, and for the participants in this study, that held true. The combined disruption of COVID-19 and the state-wide budget reductions appeared to have a significant immediate and long-term impact on the structural makeup of each institution represented in this study. While some of these implications are likely to be short-term (e.g., virtual commencements ceremonies, travel



freezes), others have the capacity to have a long-term influence on the operational structure of the institution for years to come (e.g., staff reduction, work and instructional modalities, construction plans).

### ***Human Resource Frame***

The human resource frame focuses on what people and organizations do for and to one another and seeks to outline an organization's approach to people and their needs. In response to crisis, instability, and other challenges, researchers have indicated that organizations will typically respond in one of two ways (Bolman & Deal, 2017; Cascio & Boudreau, 2008; Lawler & Worley, 2006; Pfeffer, 1994, 1998, 2007). The first response is to minimize fixed human assets, increase their reliance on part-time or temporary employees, and implement various downsizing and outsourcing initiatives to control costs and manage fluctuations in business operations. The second response entails organizations investing in their employees, implementing additional training and onboarding procedures, increasing pay and benefits, and actively working to build reciprocal loyalty between the organization and its employees.

Across all 13 institutions represented in this study, most participant responses represented the former of the two approaches. Examples of hiring freezes, layoffs, position elimination, early retirement programs, operational privatization, and use of temporary employees and adjunct professors were common, representing a strong predisposition for minimizing fixed human assets, downsizing, and decreasing human resources costs (e.g., salary, benefits) as much as possible. Several participants mentioned the multifaceted benefits of early retirement programs and their positive impact on cost savings and cost redistribution (e.g., the potential to save or hire multiple faculty from the

salary of a departing retiree's salary). Multiple participants noted that merit or cost of living adjustment could have been afforded despite budget cuts, but for political reasons, reported delaying those increases. Only one participant referenced tracking their institution's top performers and making funds available to compensate them for their extra work. Additionally, only two participants mentioned the opportunities afforded to increase the salaries of staff who were taking on additional roles and responsibilities due to hiring freezes, position eliminations, or departmental reorganizations.

Bolman and Deal (2017) noted that how an organization responds to human resource challenges has immense influences on the other three frames. While the connection between human resources, staffing, and organizational structure has already been explored, participants made several references to the importance of open, effective communication and an awareness of student, faculty, and staff morale throughout the period of financial instability experienced by their institution. Staff morale has a potentially large influence on how individuals engage in a variety of components in the political frame, such as individual values, beliefs, information, interests, and perceptions of reality, as well as how they engage with, and within, the organization based on those concepts. Furthermore, an individual's morale has the potential to strongly influence individual engagement with concepts from the symbolic frame, notably how individuals make sense of the disorderly, uncertain world in which they live. How individuals interpret the implementation of hiring freezes, layoffs, position elimination, early retirement programs, operational privatization, and use of temporary employees and adjunct professors have meaningful implications as to how one will perceive and engage with organizational culture.

With few exceptions, participants revealed a strong inclination for minimizing fixed human assets, downsizing, and decreasing human resources costs in response to their institutions' financial instability. While participants were able to convey the reasons and rationale behind this approach (e.g., a combination of widespread uncertainty as to how disruptive COVID-19 would ultimately be, and concerns related to state political perceptions), coupled with that explanation was an awareness that faculty, staff, and students were impacted, often negatively, by these decisions. Despite the efforts of some institutions to mitigate and address these hardships, it is likely that many institutions experienced a ripple effect from the human resources frame in other frames related to the institution.

### ***Political Frame***

The political frame views organizations as turbulent arenas seeking to navigate, and choose from, a multitude of individual and group interests. Ultimately, it is not a question of whether an organization will involve politics, but rather what kind of politics an organization will have. Although the political frame is evident in all organizational conditions, it is especially present under conditions of organizational diversity and elevated resource scarcity (Bolman & Deal, 2017). In the examining the political frame, it is critical to consider political influences both within and outside of the organization. Moore (1993) described organizations as political agents who engage in larger arenas and ecosystems beyond their immediate environment. Hoskisson et al. (2002) noted that organizations are inevitably dependent on resources from external sources (e.g., consumers, government funding) whose demands and desires must be considered. Many concepts related to Bolman and Deal's (2017) political frame are mirrored by the ideas of

Bronfenbrenner's (1979) ecological systems theory, which highlighted the evolving, reciprocal interaction between individuals and the environments that surround them, regardless of whether the individual is directly active within that environment or not.

The most evident application of these concepts is seen through participant's discussion of internal and external institutional influencers. Among internal influencers, participants discussed navigating the interests, needs, desires, and priorities of students, faculty, staff, the presidents cabinet, deans, academic program chairs, regents/trustees, special decision teams, and the mission, vision, values, and strategic plan of the institution. Externally, participant's discussed the relevance of politicians, accreditors, alumni, donors, community leaders, and the general public and critically relevant to how, and what, decisions are made.

In the context of the political frame, each of these internal and external entities possess interests, demands, and agendas that must be considered throughout the decision-making process (Bolman & Deal, 2017). Each also provides critical resources to the institution, which can be leveraged throughout decision-making processes to encourage a beneficial decision or serve as a consequence for an undesirable one (Bolman & Deal, 2017). Several participants referenced the inherent disconnect between most primary influencers, making it near-impossible to make a decision that would satisfy all influencers interests, demands, and agendas. For this reason, several participants referred to the reality of an institution, and its leaders, to be in a constant balancing act across primary influencers. It is noteworthy to acknowledge that no internal or external influencer was unanimously discussed among participants, while certain influencers were highlighted as being highly important and influential (e.g., students), each institution

reported a different set of primary influencers and reported different ways in which those primary influencers effected institutional operations and decision-making.

The political frame also encompasses concepts related resource allocation decisions, resource scarcity, personnel differences, and conflict and power dynamics. Consequently, the aforementioned concepts presented within the structural and human resource frames related to budget process changes, institutional reorganization, hiring freezes, layoffs, the elimination of positions, and privatization also link strongly to the resource allocation concept within the political frame. Additionally, participant discussions related to budget allotments and cuts are also grounded in the political frame, especially in situations where cuts were not implemented in a broad, one-size-fits-all approaches, but instead through targeted approaches that lead to unequal cuts in different areas of the institution. Although most participants spoke sparingly and vaguely about interpersonal conflict and power dynamics at their institutions, all acknowledged the existence of such behaviors and the influence they can have on resource allocation decisions.

The potential influence of internal and external politics to an organization cannot be understated (Beverly, 2018b; Schuler et al., 2002). Bolman and Deal (2017) concluded that every organizational process has a political dimension that is intensified during periods of instability and crisis. During a period of financial instability at public 4-year institutions, participants revealed an environment that possesses an immense, complex, and highly influential political realm that one must navigate carefully, intentionally, and strategically.

### *Symbolic Frame*

The symbolic frame is concerned with how symbolism helps individuals make sense of the disorderly, uncertain world in which they live (Bolman & Deal, 2017). The symbolic frame permeates institutions of higher education and is deeply rooted in meaning, belief, and faith. Symbols serve as the foundation of meaning systems, and these systems have profound implications for organizational culture and individual's perception of it.

The two primary organizational symbols represented in this study were words and events. Participant discussions related to words dominated references to the symbolic frame, mostly through institutional mission, vision, values, purpose, and strategic plan statements. Participants made repeated references as to the importance of these symbols and noted they have a strong influence on decision-making, conflict resolution, and navigation of political processes. Several participants referenced the importance of revisiting these symbols regularly. One participant shared they had a weekly meeting with their institution's president and cabinet to review the institution's mission and purpose in the context of the evolving COVID-19 outbreak to inform their decision-making. Other participants discussed the mission or institutional brand as being central to both short- and long-term strategic planning in response to financial instability. For many participants, these symbols were long-standing representations of what the institutions aspired to be, and thus served as a reference point amidst rapidly evolving health and financial challenges.

The second common reference to the symbolic frame involved institutional events, especially traditions, ceremonies, and athletics. Most institutions reported either

cancelling or severely limiting on-campus events, including new student orientation, commencement ceremonies, and athletic events. Where mission, vision, and values statements often serve as a foundational symbol for institutional administrators, these major events oftentimes serve as foundational symbols for students, especially sporting events and celebratory ceremonies like commencement. Many participants explicitly noted the frustration and disappointment students and their families experienced as a result of moving commencement ceremonies to virtual formats or severely limiting attendance for those who did them in person.

Bolman and Deal (2017) noted the powerful influence symbols have both for organizations and the individuals that operate within them. In the context of this study, participants conveyed significant utilization of university symbols in decision-making, communication (e.g., leveraging mission, values, purpose, and strategic plan statements as rationale for decision-making), and as a reference point to orient themselves within a rapidly changing environment. Furthermore, disruption of these symbols through institutional traditions, ceremonies, and athletics were perceived by many participants as creating a negative, conflict-inducing relationship between many students and their institutions.

***Summary: Bolman and Deal's Four Frame Model***

Bolman and Deal's (2017) four frame model provides four distinct approaches to operationalizing, identifying, and analyzing the varying and complex influences that affect individual and organizational values, actions, and behaviors. It is important to note that although the specialized perspective provided by each frame individually allows for the deconstruction and analysis of the complex environments, leadership roles, and

decision-making processes associated with financial instability at public institutions, only by examining the interplay between these frames can a more robust and accurate perspective of the organization be analyzed. As noted above, many realities faced within one of the four frames directly influenced realities in another frame. These affects differed by institution, but the complex, interconnected nature of these challenges was discussed by most participants throughout their interview.

### **Summary**

Participants in this study described decision-making to be an intricate, nuanced process involving interactions between their personal values and experiences, a diverse group of internal and external institutional stakeholders, information gathering, and institutional priorities. During periods of financial instability, these challenges were often amplified, requiring participants to carefully manage stakeholder interests, build consensus, and communicate effectively. Chapter IV presented and analyzed participant responses to the interview protocol and synthesized collected data into five themes. Chapter V includes interpretations, implications, and future utilization of these findings.



## **CHAPTER V**

### **Discussion**

The purpose of this phenomenological study was to explore the decision-making processes of executive-level administrators during periods of institutional financial instability in the state of Texas. As described in Chapters III and IV, this study examined the decision-making experiences and processes of institutional presidents, chief financial officers (CFOs), and chief academic officers (CAOs) at public 4-year institutions that were experiencing financial instability in the state of Texas. Four presidents, seven CFOs, and two CAOs representing 13 different public 4-year institutions in Texas were interviewed to gather data about their experiences.

I chose to study this topic because of a shift in perspective I experienced during my doctoral program coursework. Increasingly, I perceived the existing model of higher education as unsustainable as a variety of internal and external forces influenced institutional operations, purpose, and cost. Ultimately, I perceived these internal and external forces, whether they related to state financial support, public opinion, a rise in unfunded mandates, challenges related to diversity, inequities related to accessibility, or questions related to sustainable enrollment, would affect an institution's bottom line: their budget. For this reason, I was interested in studying what took place in response to financial instability. In addition to learning more about the decision-making processes of executive-level administrators, I was also interested in learning what areas and services of the institution were emphasized and protected versus what areas were cut and discarded. Bolman and Deal's (2017) four frame model provided a framework from which to discern how different segments of the institution affected decision-making

processes and how those same segments were affected by decisions made by institutional leaders.

In this chapter, I will synthesize the findings from Chapter IV into a broad description of the phenomenon of executive decision-making as well as discuss implications based on the analysis of data and recommendations for future research. Chapter V includes a discussion of the findings in relation to the research questions, expands on several of the participant's additions to the study outside the scope of the interview protocol, provides researcher insights into the conceptual framework, significance of the study, and recommendations for future practice and research.

### **Discussion of Findings in Relation to Research Question 1**

Research Question 1 asked how executive-level administrators at 4-year public institutions made decisions during periods of institutional financial instability in Texas. Participant reflections and experiences revealed decision-making processes during financial instability to be highly complex, situational, and rife with uncertainty. Additionally, participant responses highlighted a nuanced business approach to decision-making that often represented seemingly opposing values of operational efficiency, effectiveness, return on investment, and investment opportunity. Based on the analyzed themes presented in Chapter IV, the following sections highlight primary processes related to decision-making for executive-level administrators.

#### ***Environmental and Stakeholder Management***

The foremost example highlighting the complexity of decision-making for executive-level administrators was conveyed through the various environments and stakeholders that executives are expected to navigate and satisfy during periods of

instability. These stakeholders and influencers were mentioned by presidents, CFOs, and CAOs and included both internal (e.g., students, faculty, board members) and external (e.g., alumni, community leaders, parents, politicians) entities. These realities directly reflect Bronfenbrenner's (1979) ecological systems theory, highlighting the influence of various environments on human behavior (i.e., decision-making) regardless of whether the individual directly engaged with those environments. For the purpose of this study, Bronfenbrenner's concept of environments is best seen through institutional stakeholders and influencers whether they be internal or external to the institution.

These realities presented three key challenges for executives. The first involves the necessity to navigate and relationship build with different stakeholders and influencers. In addition to advocating for meaningfully different priorities and preferences, these stakeholders represent different interests, come from different age groups, have different communication preferences, and each may have a unique vision of what an ideal institution should look like. This first challenge strongly encourages executives to have a highly adaptive approach to leadership, communication, and decision-making based on who they are engaging with at any given time.

This links to the second challenge, which relates to the inability for executives to satisfy everyone with a single decision. Inevitably, given the number of stakeholders and influencers they must satisfy, every decision will lead to at least one group feeling left out, unheard, or not prioritized. To this end, even objectively *good* decisions will necessitate relational damage control.

This segues to the third challenge, which ties to Bronfenbrenner's (1979) core assumptions about the reciprocal nature of environments and relationships. As

stakeholders attempt to influence executive's decision-making, those decisions also affect stakeholders. These interactions have wide-ranging implications for stakeholder perceptions, behavior, and support related to current and future decisions. As articulated by March (1994), this likely encourages opportunities for conflict and political gamesmanship, as stakeholders leverage their power and build coalitions to advocate for their preferences and positions. Furthermore, this challenge has the potential to influence decision-makers if they believe a particular stakeholder requires a favorable decision to effectively avoid conflict or other problems.

### ***Decision-Making Authority via The Trinity***

Despite the profound influence of internal and external stakeholders in institutional decision-making, participants consistently conveyed that decision-making power at their institutions was contained within the president, CFO, and CAO. The implications of this highly centralized decision-making power are difficult to understate. It suggests that any successful influencing activities from stakeholders should be aimed at affecting the perspectives of at least one member of the trinity. Additionally, the notion that each member of the trinity has the power to stop the others demonstrates the importance of the relationship between these three executive-level administrators and likely has a profound influence on what and how decisions are made.

It is noteworthy to highlight the inconsistencies reported across presidents, CFOs, and CAOs when it comes to decision-making. Broadly speaking, presidents described themselves as being the final decision-makers on matters affecting the institution as a whole. CAOs, however, reported having broad decision-making authority related to academic affairs, which occupies a significant percentage of institutional operations. Both

CAOs represented in this study provided examples of decisions they made where the president was notified, not consulted. Similarly, CFOs conveyed that while the president makes final decisions on financial matters, they also acknowledged that although their recommendations could be denied, they rarely were. In fact, there was no example provided in this study of a time when a president overruled a decision or recommendation from a CFO or CAO. This reality appears to give CFOs and CAOs broad decision-making authority in their areas of positional focus and professional expertise.

While there seems to be an established division of power between the trinity, the reality appears to be more complex than that. Most participants acknowledged the president's power to set the mission, vision, values, and priorities of the institution, and participant responses indicated there was little to be gained by making recommendations that did not align with the presidents' perspective. Additionally, when asked about conflict and political gamesmanship at the cabinet-level, presidents noted their power to make staffing changes at the cabinet level, including the CFO and CAO. This power appears to serve as a meaningful check on the decision-making authority of the other members of the trinity as well as members of the cabinet.

What emerges from these shared perspectives is a complex relational dynamic where each member of the trinity has the power to make decisions in different arenas, has the power to make the arenas of others more difficult, and can have others interfere in their arenas of power. Although a president can terminate cabinet-level administrators, presidents represented in this study articulated staff terminations at the cabinet level are rarely a desirable option. This perspective highlights the level of importance interview processes and candidate selection criteria have on the hiring of trinity-level positions.

These perspectives provide an image of the trinity similar to that presented by participant Cohen that when the trinity is in alignment the potential for quality decision making is high, but when not in alignment the members of the trinity can stall almost any potential decision. An emergent theme presented in Chapter IV was the idea of consensus and inclusion during decision-making processes. While these concepts appear to be highly valuable institution-wide, participants' discussion of the trinity supports the idea that the importance of consensus and inclusion are magnified when it comes to the cabinet, and operationally critical when it comes to the trinity.

### ***Information Management***

An additional challenge enhancing the level of decision-making complexity of executives stems from the lack of complete, reliable knowledge on which to base decisions. This was best represented via participants' discussion of the COVID-19 outbreak, where especially in the early stages of the outbreak very little was known about the health and safety risks associated with keeping institutions open with face-to-face instructional modalities. The inability to acquire reliable information about COVID-19 prevented executives from making confident, informed decisions about how their institutions would respond to the challenges associated with it. Furthermore, participants acknowledged the limitations of information gathering on the long-term influences of their decisions on both institutional stakeholders and their institution as a whole.

Participants provided no consistent, reliable way to eliminate these challenges and complexities; they can only be partially mitigated. Mitigation strategies included balancing one's decision-timeline (e.g., not making a decision too soon or too late) in order to maximize information gathering and provide time for an uncertain situation to

clarify, utilizing outside perspectives (e.g., insights from professional organizations, peers at other institutions), and leveraging their prior experiences. Interestingly, almost all participants noted the importance of post-decision management. This included effective communication to stakeholders affected by the decision, continued assessment of the challenge at hand, and ensuring that institutional executives never “decide themselves” into an inflexible corner when it comes to institutional decision-making. As situations became clearer or as more reliable and accurate information was available, executive-level administrators wanted the flexibility to revise previously made decisions.

### ***Neoliberalism, Market Factors, and the Business of Institutional Operations***

Many of the tenets of neoliberalism presented in Chapter II were regularly and consistently highlighted by participants. These principles, such as accountability, market-driven data, a focus on outcomes, cost-recovery, and returns on investment dominate the literature connecting neoliberalism and higher education (e.g., Aronowitz, 2003; Giroux, 2014; Jankowski & Provezis, 2012; Kandiko, 2010) and served as primary themes of data across participants. Furthermore, notions of centralized institutional processes, assessment, students as customers, institutional competition, operational efficiency, and measurable outcomes that are prevalent in the research (e.g., Clegg & Smith, 2010; Gipps, 1999; Jankowski & Provezis, 2012; Raaper, 2016; Sadler, 2011) were common topics of discussion among participants. However, despite these strong links to the concepts of neoliberalism, participants still articulated a strong emphasis on the importance of education and service quality for students, which deviates from existing research that argues neoliberal values tend to reduce education and service quality (e.g., Giroux, 2014; Olssen & Peters, 2005; Sadler, 2011). The result of these seemingly

opposing values was a nuanced approach to personal values, institutional values, and financial decision-making that attempted to adhere to the values of accountability, return on investment, market data, performance outcomes, and cost efficiency while at the same time not sacrificing quality.

This balance between seemingly opposing values took many forms. For example, when making budget decisions, most participants discussed the importance of minimizing budget cuts to high performing or high demand programs, while lower performing and lower demand programs were cut more often and at higher levels. The impact of programs also weighed into decision-making. Low impact institutional services, such as institutional transit services at small institutions or grounds keeping services, saw a disproportionately high-level of cost-savings measures leveraged against their programs, including privatization of services.

Although the tenets of neoliberalism and market factors were common across participant responses, examples were not limited to budget-cutting strategies. Most participants articulated a widespread increase in spending associated with these cuts. Largely, these expenditures allowed institutions to operate more effectively and safely in response to the COVID-19 outbreak and encompassed investments to online learning hardware, software, training, equipment, and marketing to promote social distancing, and enhanced cleaning protocols. However, some participants also discussed increased funding to several student support initiatives, including student scholarships, student support programs, and technological resources (e.g., laptops, Wi-Fi hot spots) students could access to complete schoolwork.



This balanced-approach to decision-making in response to financial instability demonstrates that although the tenets of neoliberalism are highly represented in the decision-making processes of executive-level administrators, coupled with that is a strategic awareness of the long-term business function of the university. For example, it is potentially less harmful in the long-term to spend additional funds on student support services in the present to maintain or increase enrollment, or minimize enrollment reductions. Additionally, many participants perceived costs related to student support services and technology enhancements, as expenditures to increase enrollment, improve the quality of online instruction, and better prepare the institution for expanded utilization of instructional technology beyond COVID-19. While increasing expenditures seems opposite of the tenets of neoliberalism, the root cause of those decisions (e.g., student recruitment and retention, enhanced instructional quality, superior scholarship and instructional opportunities compared to peer institutions, return on investment) are deeply rooted in neoliberal ideologies.

It is important to note that amidst these concepts of expenditures, revenues, and decision-making that external market and business factors continue to influence higher education institutions. In June 2021, a report from the National Student Clearinghouse Research Center (2021) reported total college enrollment fell 3.5% in the spring of 2021 when compared to the prior year. The report indicates a 4.9% drop in undergraduate enrollment nationwide, totaling 727,000 fewer enrolled students, and a 4.6% increase in graduate enrollment, totaling approximately 124,000 more enrolled students. Overall, nearly 600,000 fewer students attended college in the spring 2021 when compared to spring 2020. Although the highest percentage enrollment reductions were seen amongst

community colleges, this drop in overall college enrollment represents a high amount of lost revenues for institutions and provides disruption to student's educational trajectories.

### **Discussion of Findings in Relation to Research Question 2**

Research Question 2 asked participants how decision-making processes of executive-level administrators at 4-year public institutions in Texas during periods of institutional financial instability differed from decision-making processes during periods of institutional financial stability. Participants overwhelmingly conveyed that from a process and procedural perspective, there were not meaningful budgetary process differences and that there should not be. Differences, however, existed related to the stress, uncertainty, and budgetary focus associated with making financial decisions amidst financial instability or crisis.

Participant insights yield two primary takeaways. The first takeaway centers on the emphasis participants placed on utilizing existing budgetary processes and procedures during periods of financial instability. Echoing the advocacy of Goldstein (2012), participants noted the utilization of established budgetary and decision-making processes encourages trust in the process, minimizes perceptions of favoritism, and decreases opportunities for political gamesmanship and conflict. The second takeaway emphasizes the non-procedural differences associated with budgetary decision-making during periods of instability. Many participants noted significant increases in stress, uncertainty, and anxiety associated with budgetary decisions during financial instability when compared with periods of stability. Furthermore, several participants noted the focus of budgeting shifts during instability. During periods of financial stability, executive-level administrators are primarily looking for areas of high performance, growth, and future

opportunity to invest in. During periods of instability, the emphasis shifts to institutional survival, taking necessary actions regardless of cost (e.g., building repairs after a natural disaster, purchasing health and safety equipment in response to COVID-19), and refocusing on the fundamental and core purpose of the institution.

### **Participant Insights**

Interview questions 8 and 9 asked participants to provide additional insights and advice related to decision-making and financial instability that were not directly covered by the interview protocol. Of these various additional topics presented by participants, three warrant expanded discussion. These concepts reflect perspectives and values that multiple participants felt were critical to understanding and navigating current and future decisions amidst financial instability.

#### ***Centralization vs. Decentralization***

Several participants made references to the decision of whether to centralize or decentralize decision-making and budgetary processes on their campuses. No consensus was presented by participants as to which approach was preferable at their institutions, nor for higher education in general. Instead, participants discussed a tradeoff of opportunities and challenges each approach encompassed.

Centralization allows for a more streamlined operational approach to campus, clearly defined budgetary rules, and involves the funneling of departmental revenue to a central account for institutional use. However, participants noted that a centralized approach takes revenue away from departments and divisions, stifles innovation and creativity, and has the potential to reduce the ability of an institution to respond to new opportunities.

Decentralization provides an opportunity of individual departments and divisions to utilize the revenue they generate in the way they deem best for their area, making them highly responsive to innovation and new opportunities. However, decentralization can limit available funds for campus-wide initiatives, reduce consistency in practice and priorities campus-wide, and reduce accountability and oversight of institutional operations, which can increase occurrences of financial mismanagement across campus.

It is noteworthy that during a period of financial instability, multiple participants mentioned their campus was looking at a potential reorganization and restructuring of their decision-making and budgetary processes. Participants who mentioned this topic sought to maximize the benefits of both approaches while minimizing the drawbacks. This approach entailed balancing revenue sharing between the institution and its individual departments, ensuring established priorities and direction of the institution, providing individual departments increased autonomy to innovate, and ensuring that financial bailouts of departments due to poor decision-making were avoided.

### ***Clearly Defined Goals, Objectives, and Purpose***

Several participants critiqued both their institutions specifically and higher education generally regarding the lack of clearly defined goals and objectives for institutions of higher education. Although mission, vision, values, and purpose statements were discussed by participants as having a meaningful impact on decision-making processes, presidents largely determine which parts of those statements are going to be emphasized.

Participants noted overly broad institutional statements allow essentially any individual or program to argue they are mission essential. Additionally, these statements

being open to presidential interpretation can provide confusing inconsistencies across institutional stakeholders, especially during periods of crisis, instability, or transitions in leadership. Furthermore, participants highlighted increasingly negative perceptions of higher education from politicians, students, parents, the public, and other stakeholders. Ultimately, participants argued that more specific, clearly defined institutional statements related to goals, objectives, purpose, and mission could better define mission essential activities, provide clear outcomes for institutional programs and initiatives, and provide streamlined communication to students and other stakeholders. As institutional operations return to a semblance of normalcy after the disruptions caused by COVID-19, there is an opportunity for executive-level administrators to either realign institutional initiatives to the mission or realign the mission to existing initiatives.

### ***College Accessibility***

Several participants mentioned concerns about the future of higher education as a result of ongoing reductions in state financial support. The primary argument presented was that the combination of reduced state support and increased demand for student support services in response to student challenges (e.g., reliable transportation, affordable housing, food insecurity, mental health) would continue to have a disproportionately negative affect on minority students, first generation students, and students coming from a lower socioeconomic status. Additionally, participants expressed concern that if state financial support does not increase in response to the upcoming enrollment dip between 2025-2030, many institutions will be forced to choose between steep cuts in institutional programs and services or increasing tuition and fees, both of which would again have disproportionate negative affect on the aforementioned student populations.

In response to these concerns, some participants reported that their institutions are already articulating these concerns to political leaders, investing in on- and off-campus employment programs for students, diversifying revenue streams, and making cost-effective financial decisions now in anticipation of future economic hardship. Executive-level administrators also reported exploration of progressive approaches to enrollment and course instruction, including options to enroll in classes throughout the year instead of at pre-determined start points, block course scheduling options that consider student work schedules, and expanded asynchronous course options. For all participants and especially for those serving historically underrepresented and rural populations, there was deep concern about the future of college accessibility, affordability, and the impact these challenges will have for their institutions.

### **Recommendations for Practice**

Participants' detailed, rich descriptions of decision-making during periods of financial instability provides insight to current and future executive-level administrators who will lead institutions during periods of financial hardship and crisis. In the following sections, I will offer suggestions for executive-level administrators to improve decision-making processes amidst financial instability.

### ***Awareness and Management of Ecological Influencers***

Throughout this study, every topic of discussion and every decision mentioned by participants was directly relatable to Bronfenbrenner's (1979) ecological systems theory, revealing that public 4-year institutions included in this study, and the executive-level administrators that represent them, do not and cannot operate in a vacuum. There is evidence in this study of Bronfenbrenner's (1979) ecological systems theory applying

both to individuals, as the theory originally intended, but also to institutions themselves in the form of an organizational theory. The institutions included in this study appear to exist within an intersection of environments and stakeholders. Although the institution exists as a standalone entity, it influences and is influenced by many other environments, including governmental entities, accreditors, alumni, donors, community leaders, and public stakeholders.

Given the influence of these environments and stakeholders on decision-making and institutional operations, institutional leaders may benefit from assessing the influence these and other stakeholders have on their institution. Participants highlighted roughly three tiers of internal and external influencers: those who directly and significantly affected decision-making, those who were involved and needed to be regularly managed, and those who did not often directly affect decision-making but that needed to be notified of decisions and changes. Additionally, some stakeholders may be broadly influential (i.e., they have the capacity to influence a wide range of issues), situationally influential (i.e., they influence minimal issues, but have immense power within those areas), or minimally influential (i.e., they lack meaningful decision-making power, but are still relevant in some way). Having an expanded understanding of one's primary, secondary, and tertiary influencers, along with their respective power and influence levels, may help executive-level administrators navigate the complexities of financial instability with increased efficiency and effectiveness.

### ***Intentional Relationship Management***

Bronfenbrenner (1979) also noted the reciprocal influence of relationships on human behavior in the present and for future interactions, creating impactful implications

for the decision-making processes of executive-level administrators as they continuously navigate these environments and the influencers that exist within them. Deeper understanding of these internal and external ecological influencers provides an opportunity for improved relationship management and, by extension, decision-making. Multiple participants highlighted the complexities of decision-making amidst differing, oftentimes opposing preferences among stakeholders. This creates a reality in which, even when making objectively *good* decisions, the potential for certain stakeholders to feel their interests are not a priority is high, necessitating relational damage control.

Participants noted that attempting to build meaningful relationships after instability or crises is a difficult, time consuming, inefficient process. Instead, institutional leaders are encouraged to build relationships pro-actively to develop trust, articulate priorities, define communication methods, and identify issues of concern with stakeholders. Although participants in this study did advocate for bringing groups of similar stakeholders together (e.g., department and divisional leaders coming together during budget processes), participants did not discuss a similar strategy with non-similar stakeholders. Stakeholder relationships with the institution and among each other have the potential to be improved if a similar approach was implemented with them. By being brought together during periods of financial stability and instability, incongruent priorities may find common ground. Additionally, bringing these different stakeholders together also has the potential to give them shared perspectives of sacrifice and hardship during periods of instability<sup>8</sup>.

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<sup>8</sup> For more information on stakeholder management in complex environments, readers are encouraged to examine research by Albats et al. (2020), Khanyile (2020), and Rajhans (2018).



Institutional presidents are encouraged to pursue two other avenues of relationship management in addition to internal and external stakeholders. First, participants clearly and consistently articulated the importance of the trinity (i.e., the president, CFO, and CAO) in decision-making. Therefore, the relationship quality between these three positions, especially as it relates to intuitional priorities and operational approach, is critical. Second, institutional leaders are encouraged to take an active, pre-emptive approach to relationship building in local, regional, and national organizations associated with their work. All cabinet-level executives, deans, and departmental directors should have an established network of institutions, organizations, and individuals they can rely on for insight, advice, and perspective during periods of instability or crisis. These relationships have the capacity to help leaders increase clarity and reduce uncertainty during information gathering activities.

### ***Information and Uncertainty Management***

The most surprising challenge related to decision-making during financial instability was the sheer amount of uncertainty participants had to manage daily. No example of decision-making or information gathering was provided in this study where a participant said they felt like they had enough information to make a comprehensively informed decision. Even among decisions they felt were good ones, participants admitted to a level of inherent uncertainty, sleepless nights, and regular assessment activities to ensure desired outcomes were being met.

As noted by participants, challenges associated with incomplete or unreliable information cannot be eliminated. For this reason, executive-level administrators are encouraged to implement a variety of strategies to fill the gaps of missing information.

These strategies include quantitative and qualitative information gathering approaches, ensuring subject matter experts are included in information gathering and analysis, utilization of regional and national associations for perspectives on effective response to challenges, leveraging of peers and colleagues for insight and advice, and comprehensive, ongoing assessment and review practices after a decision has been made. Additionally, participants encourage executive-level administrators to take time to consider short- and long-term consequences, both financial and operational, prior to making a decision in order to assess decision quality. Finally, in an effort to get a more comprehensive picture of available information, resources needs, and potential consequences of decisions, executive-level administrators are encouraged to solicit input not only from their direct reports, but also other staff associated with the issue at hand. Although these approaches cannot guarantee that quality decisions will be made, participants note these strategies contribute to quality decision-making process, which decrease the likelihood of making critical mistakes.

### ***Expanded Perspective of Shared Governance***

Eckel (2000) provided an explanation of institutional shared governance that included the board of trustees, executive-level administrators, and faculty in the decision-making and governance of an institution. While participants in this study explicitly upheld that decision-making power related to institutional governance was vested in the institutional executive (i.e., the president), academic affairs (i.e., represented by the CAO), and business operations (i.e., represented by the CFO), participants' presentation of internal and external influencers impact on decision making puts forth the question: is

the existing definition of shared governance actually implemented in modern universities?

For instance, multiple participants noted that certain decisions, such as those to increase tuition, were removed from consideration due to concerns about students' and politicians' perceptions of such decisions. Furthermore, numerous participants discussed essential partnerships with various community agencies that influenced decision-making in some areas of the institution more directly than some internal stakeholders. Prevailing definitions of shared governance often lack, or do not fully represent, the level of influence represented by entities outside of the president, CFO, and CAO. The modern university is one that must consider the input of, and impact of, their decisions on various entities both internal and external to the institution.

Classic tenets of shared governance were grounded in the notion that the entities who were responsible for steering the direction of an institution would be equal in terms of partnership, accountability, responsibility, and ownership. Additionally, decisions, and their operationalization, were to be equally shared by those individuals and entities. Although participants in this study made frequent reference to the importance of inclusion and consensus building efforts while navigating decision-making during financial instability, the division of power, responsibility, accountability, and operationalization of decision-making appear to be highly concentrated within the trinity. Based on the immense number of influential stakeholders that are highly integrated into institutional operations, executive-level administrators may benefit from a return of the original core tenets of shared governance, not only permitting additional voices at the table (e.g., higher levels of stakeholder involvement in information gathering and

decision recommendations), but also providing those voices increased power to affect decisions, operationalize those decisions, and share in the responsibility and accountability of those decisions. This would allow an institution to demonstrate that shared governance is not only a symbolic gesture, while at the same time actively including mission-critical stakeholders in decision-making processes. However, executive-level administrators must also be mindful of times when having fewer people involved in decision-making may be appropriate, such as for highly sensitive topics, crises (e.g., financial exigency), and situations that are highly politicized.

### ***Resource Allocation Strategy***

The COVID-19 outbreak highlighted the importance of two seemingly opposing concepts. First, institutions need to be able to centrally respond to challenges in an effective, efficient, and uniform way. At the same time, in response to certain challenges, individual units need to be able to independently innovate and pursue best practices specific to their area to meet student, staff, faculty, and stakeholder needs. Several participants in this study, although not yet having found a balanced solution, revealed that they were conducting research and having conversations about how to best approach the centralization or decentralization of their institutional decision-making and budgeting processes.

For institutional leaders assessing their operations in the aftermath of COVID-19, or any other period of instability or crisis, participants in this study provided a number of topics and questions that may serve as a starting point for their institution's pursuit of a balanced, responsive operational approach. These questions include: (a) how much earned revenue should a unit get to keep?, (b) how much earned revenue should a unit

share institution-wide?, (c) what institutional expenses should be borne centrally by the institution?, (d) what expenses should individual units be responsible for?, (e) how should services utilized by multiple campus entities (e.g., the library) be paid for?, (f) is funding for major projects (e.g., building maintenance, new construction) provided by the institution, the department, or shared?, (g) what mechanisms exist to ensure decentralized decisions and expenditures align with the centralized mission, vision, and values of the institution?, (h) if a unit experiences financial instability or crisis, what is the process for addressing those challenges?, and (i) during periods of institution-wide instability or crisis, do decision-making powers temporarily centralize until the challenges are resolved?

In addition to considerations between centralized and decentralized budgetary and decision-making processes, executive-level administrators must also determine the level to which they are going to pursue investments in innovation while adhering to neoliberal principles such as operational efficiency, measurable outcomes, and reduction of costs. As previously noted, participants discussed neoliberal values as being central to their decision-making approaches, but also acknowledged the importance of innovation, creativity, and ensuring the quality of both the student experience and the institutional brand. However, in this study, responses to financial instability was primarily directed at hiring freezes, position elimination, and service elimination or privatization at all institutions, raising the question: how do institutions pursue expanded student support services and innovation (e.g., variable academic terms, flexible course modalities, recruitment and retention programs) when financial resources closely tied to the success of such initiatives (e.g., faculty and staff) are restricted, frozen, consolidated, or

eliminated? Executive-level administrators will have to determine how they can be progressive and innovative despite reductions in state support and, ultimately, determine if a particular period of financial instability for their institution is a time of innovative opportunity or a time of survival.

### ***Establishment of Assessment Metrics***

Participants discussed at length the importance of program performance, demand, and return on investment throughout decision-making processes. However, the interview protocol did not lend itself to exploring these concepts in more concrete terms.

Institutional leaders would likely benefit from having operationalized definitions when it comes to program performance. For example: (a) at what point is a program considered high or low performance?, (b) at what point is a program considered high or low demand?, and (c) what is the threshold for a decision to be considered a good or bad return on investment? Having answers to these types of questions has the potential to streamline decision-making processes during periods of financial stability and instability. Additionally, during instability, having proactively determined these thresholds has the potential to minimize conflict and political gamesmanship associated with budget cuts, frozen positions, and program eliminations.

### ***Assessment of Mission Alignment***

A primary theme of this study involves the importance of intuitional mission, vision, values, and purpose statements related to decision-making processes, priorities, and outcomes. However, many participants highlighted the vague and all-encompassing nature of these statements, making it easy for most units to define their contribution to the intuitional mission in the broadest of terms. After a period of institutional hardship, such

as COVID-19 or any other institutional period of instability or crisis, there is an opportunity to either realign institutional mission statements to initiatives or realign institutional initiatives to the mission. As public colleges and universities transition from disruptions associated with COVID-19 towards an uncertain future rife with enrollment challenges, the present is a perfect time to revisit, reprioritize, and specify institutional mission, vision, values, and purpose statements in order to build consensus and buy-in for future decision-making processes and upcoming periods of instability and uncertainty.

### **Recommendations for Future Research**

The purpose of this phenomenological study was to explore the decision-making processes of executive-level administrators during periods of institutional financial instability in the state of Texas. Participation in this study was limited to executive-level administrators (i.e., presidents, CFOs, and CAOs) at public 4-year institutions. Additionally, data collection was limited to individual interviews as part of the phenomenological design. The limitations and findings of this study open possibilities for future research related to institutional financial instability, decision-making, and higher education operations in general. These opportunities are explored in the sections that follow:

#### ***Institutional Differences***

Future researchers could conduct similar phenomenological studies related to decision-making and financial instability while altering the parameters of the study. For example, future researchers could focus on private institutions, examine institutions in another state, or target data collection at institutions of a specific enrollment size (i.e., small, medium, large), location (e.g., metropolitan, rural), or budget amount (e.g.,

institutions with small or large annual budgets). Additionally, examination of other institutional stakeholders (e.g., academic leadership, students, community leadership) would yield different, valuable perspectives of decision-making amidst financial instability.

### ***Research Design***

The phenomenological design of this study sought to provide a broad perspective of decision-making processes of executive-level administrators across numerous public 4-year institutions. Future researchers could instead implement a targeted examination, in the form of a case study, of a single institution managing financial instability or exigency and the decisions made in response to those challenges. This would provide an opportunity to collect data from multiple individuals at the same institution, providing a more comprehensive picture of decision-making processes.

### ***The Trinity***

One emergent theme from this study emphasized the importance of the trinity (i.e., institutional presidents, CFOs, and CAOs) in making decisions and managing institutions in pursuit of their mission. A study examining the interactions and relationships between these three key positions has the potential to reframe current notions of shared governance and provide meaningful insight on the decision-making processes of these foundational institutional leaders. Additionally, examination of how members of the trinity pursue inclusion, consensus building, information gathering, and perspectives from others throughout the decision-making process has the potential to yield insightful findings as to how decisions are made.



### ***Ecological Systems Affecting Higher Education***

Another emergent theme from this study highlighted the meaningful influence various environmental and stakeholder entities have on institutional decision-making processes. This theme challenges existing definitions of shared governance that emphasize largely internal notions of shared governance (Eckel, 2000; Hendrickson et al., 2013) in favor of evidence that additional internal and external influencers have profound effects on institutional decision-making. Based on these findings, expanded application of Bronfenbrenner's (1979) ecological systems theory to higher education, and further investigation of institutional influencers and their impact on institutional operations, is warranted.

### ***Institutional Communication Strategies***

Several participants discussed the importance of effective communication to institutional stakeholders in response to both decision-making and financial instability, and discussed a variety of internal and external communicative approaches. Expanded research into these communication approaches has the potential to inform current and future executive-level administrators on effective and ineffective communication strategies in response to institutional crises.

### ***Information Gathering Approaches***

Information gathering served as a critical process to the decision-making processes for all participants. Expanded research into information gathering, data management, what kinds of information is most desirable for effective decision-making, and how that data are utilized by institutional leadership would help executive-level administrators make better decisions both during periods of stability and instability.

### ***Conflict and Political Gamesmanship***

Although this study provided some information about the role of conflict and political gamesmanship as part of the decision-making process, no meaningful findings regarding how these challenges are resolved emerged from this study. Future research examining how disagreement is reconciled, especially during periods of institutional crisis and instability, have the potential to inform the actions of future leaders during future crises.

### ***Perspectives of Future Challenges***

The combination of the COVID-19 global pandemic and the upcoming, projected decrease in high school graduates between years 2025 and 2030 (*The Chronicle of Higher Education*, 2019b) has the potential to meaningfully affect higher education funding and reframe how higher education operates over the next 10-15 years. Based on this current and upcoming disruption, a deeper examination of executive-level administrator perceptions of the future, and how they are preparing their institutions to navigate these challenges, would be helpful for institutions of all types.

### ***Institutional Mission, Vision, Values, and Purpose***

Institutional mission, vision, values, and purpose statements were commonly referenced by participants as being foundational influencers to the decision-making process, especially related to resolving disagreement, conflict, and political gamesmanship. Deeper understanding as to how these statements are utilized in directing an institution could provide interesting insights into the identity development of higher education institutions and how that identity influences operations.

### ***Replication***

A final recommendation for future research is a replication study. As noted in Chapters I and II, the state of Texas, and institutions within Texas, face a variety of realities, challenges, and opportunities that are unique to Texas. A replication study in a state with different institutional enrollment trends, legislative realities, populations, student types, or who responded to large scale crises (e.g., COVID-19, natural disasters, state funding cuts) is likely to yield different results that can add to the literature base regarding institutional response to financial instability and crisis.

### ***Summary: Recommendations for Future Research***

Research related to institutional decision-making amidst financial instability presents unique challenges. The emphasis of quantitative research related to institutional finances provides a limited body of existing research from which to base qualitative approaches of inquiry. Furthermore, while literature related to decision-making, and decision-making during crisis, is robust, minimal research exists applying these concepts to organizations whose decision-making processes are affected by a combination of shared governance, highly politicized governmental oversight, and public opinion. These challenges and shortcomings, however, reinforce the need for continued inquiry on these topics as higher education enters a period of sustained disruption and financial instability over the next 10-15 years.

### **Summary and Conclusion**

Institutions of higher education are entering into a period of existential crisis, with some researchers projecting that anywhere between 10-50% of currently existing colleges and universities could consolidate, merge, or close over the next 10-15 years (Lederman,

2017; Tobenkin, 2020; Zemsky et al., 2020). How executive-level administrators respond to these challenges will have immense consequences on college availability and accessibility, training for professional careers, and the economic wellbeing of the communities where these institutions exist (e.g., Berg-Cross & Green, 2010; Galambos, 2009; Goldstein, 2012; Selingo, 2018). Through this research, I have examined how some public 4-year institutions are responding to challenges related to financial instability to discern what environmental factors cause and exacerbate institutional financial instability, as well as examine how executive-level administrators respond to challenges associated financial instability. Participant responses show the successful university of the future is one that is actively connected with their key stakeholders, engaged in sustainable budgetary practices, and committed to balancing operational effectiveness and efficiency with investment in high-quality student outcomes.

Researchers predict financial instability to due to reduced support from state entities and reductions in student enrollment to continue through the next decade (Berg-Cross & Green, 2010; Brint et al., 2016; *The Chronicle of Higher Education*, 2019b; Galambos, 2009; Verstegen, 2013). The perceptions, actions, and experiences of participants included in this study provide a starting point for how institutional leaders at colleges and universities of all types can respond to these challenges in such a way that not only allows for the survival of their institution but enhances their ability to serve students and their communities.

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[College-System-plans-for-budget-impact-](https://www.yourconroenews.com/neighborhood/moco/news/article/Lone-Star-College-System-plans-for-budget-impact-15219840.php?utm_source=dlvr.it&utm_medium=facebook)

[15219840.php?utm\\_source=dlvr.it&utm\\_medium=facebook](https://www.yourconroenews.com/neighborhood/moco/news/article/Lone-Star-College-System-plans-for-budget-impact-15219840.php?utm_source=dlvr.it&utm_medium=facebook)

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[university-cut-its-budget-80-million/](https://www.texastribune.org/2020/04/14/coronavirus-spurs-texas-baylor-university-cut-its-budget-80-million/)

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## APPENDIX

### Interview Protocol

Institutional Pseudonym:

Participant Pseudonym:

Date:

Time:

1. I'd like to start out by learning a little bit about you, but also want to be respectful of your time. I took an opportunity to review your vitae online, but would love to hear about any professional experiences that strongly inform your leadership or decision-making process today?
  - Common probes and follow up questions:
    - Do you have an experience with institutional crisis situations that strongly leadership or decision-making process today?
  
2. As you consider the evolution of higher education throughout your career, how would you describe the financial realities faced by public 4-year institutions in the state of Texas right now?
  - Common probes and follow up questions:
    - What role does the COVID-19 global pandemic play in these challenges?
    - Did COVID-19 create these challenges or simply amplify them? Why do you think so?
  
3. Tell me about the financial realities your institution and is currently experiencing?
  - Common probes and follow up questions:
    - When and how did it start?
    - Did these challenges begin with the emergence of COVID-19, or prior?
    - How do you manage unanticipated changes in your institution's finances?
  
4. What decisions had to be made as a result of your institution's financial situation?
  - Common probes and follow up questions:
    - What is your role in the making of these decisions?
    - How did you go about gathering the information you need?
    - When do you know you have enough information?
    - What do you do if you cannot get enough information?
    - If there were budget cuts, what was your strategy for implementing them?

5. When budgetary reductions or constraints are present, who influences how institutional financial decisions pertaining to budgetary allotments are made?
  - Common probes and follow up questions:
    - How does this differ from periods of relative financial stability?
    - What influence do they have?
6. Tell me about the processes for making budgetary decisions that affect the entire institution.
  - Common probes and follow up questions:
    - Who has a 'seat at the table'?
    - What internal and external influencers affected the decision-making process, if any?
    - In what ways were conflict and disagreement addressed?
    - How is a final decision determined?
    - How are decisions communicated to stakeholders?
7. What personal principles, values, or philosophies guide your decision-making?
8. In acknowledging the complexity of what we're discussing today, I must also acknowledge that my questions about these topics may not fully cover your individual experiences. In considering your experiences related to everything we have talked about today, are there any additional experiences, insights, or lessons you would like to share with me?
9. What advice would you give to other executive leaders regarding financial decision-making during financial instability?

## VITA

### EDUCATION & CERTIFICATION

**Educational Doctorate of Higher Education Leadership** **August 2021**

Sam Houston State University, Huntsville, TX

*Dissertation:* Approaches to Executive Decision-Making at Public Institutions

Experiencing Financial Instability in Texas

**Master of Public Administration** **May 2009**

Ball State University, Muncie, IN

*Thesis:* The Effectiveness of Vote Centers and Their Implementation in Indiana

**Bachelor of Science, Political Science** **May 2007**

Sam Houston State University, Huntsville, TX

**Certified Strengths Coach** **May 2021**

Gallup, Inc.

### ADMINISTRATIVE EXPERIENCE

**Assistant Registrar** **February 2019 – Present**

Sam Houston State University, Office of the Registrar, College of Osteopathic Medicine

Serves as the Registrar representative for the new College of Osteopathic Medicine.

Primary responsibilities include management, maintenance, and accountability for academic and educational records, federal and state compliance (FERPA, etc), enrollment and registration, various functions in retention management, and service as a primary Banner/Ellucian database builder and tester for the Osteopathic Medicine College.

**Associate Director** **September 2015 – February 2019**

Sam Houston State University, Department of Leadership Initiatives

Guided strategic planning and oversight for the department's student leadership development, service-learning, and student organization programs. Directed curriculum, assessment, training, oversees supervision of professional staff, and supports Director with development of a \$350,000 budget. Primary developer and facilitator of institutional Discover Your Strengths program based on the Gallup, Inc CliftonStrengths assessment.

**Student Engagement Coordinator** **August 2014 – August 2015**

Arizona State University, School of Sustainability

Served as the strategic planner, manager and advisor for the School of Sustainability's first year experience, freshmen residential community, upper-class leadership academy, and registered student organizations.

**Honor's Hall Residence Director** **July 2010 – July 2014**

University of Nebraska – Lincoln, Residence Life

Responsible for daily operations of a 440 resident, traditional-style honors residence hall. Core accountabilities included administration of all programmatic, facility management, student conduct, emergency response, and room assignment functions.

## TEACHING EXPERIENCE

**Emerging Leaders Transfer Student Leadership Cohort** **2015 - Present**Sam Houston State University, Leadership Initiatives

Facilitate an 8-week cohort experience for transfer students focusing on leadership development, career readiness, professional communication, personal branding, conflict management, and skill development.

## UNIVERSITY COMMITTEES &amp; DEPARTMENTAL WORK GROUPS

**Sam Houston State University**

College of Osteopathic Medicine (COM) Admissions Committee	2020 – Present	COM
Student Progress and Promotions	2019 – Present	
COM Curriculum Committee	2019 – Present	
SHSU FERPA Training Development Group (Chair)	2019 – 2020	
Banner COM Implementation Team	2019 – 2020	
TACUSPA New Professionals Institute	2018 - 2019	
Campus Sustainability Committee	2018 – 2019	
Student Employee Leadership Institute	2015 – 2019	
American Democracy Project (Co-Chair)	2016 – 2018	
Sexual Assault Awareness Campaign	2016	
Institutional Review Board	2015 – 2017	

**Arizona State University**

School of Sustainability Academy	2014 – 2015
First Year Student Orientation	2014 – 2015

## UNIVERSITY COMMITTEES &amp; DEPARTMENTAL WORK GROUPS (CONTINUED)

**University of Nebraska – Lincoln**

Multicultural and Diversity Education	2012 – 2014
Assessment and Evaluation	2011 – 2012
Academic Initiatives	2010 – 2014
Staff Selection Committee	2010 – 2013
Staff Training	2010 – 2011
Curriculum Committee	2010 – 2011

## RESEARCH &amp; SCHOLARLY ACTIVITIES

**Research Projects**

Walling, M. L., Van De Walker, D., Gilbert, K., Olmstead, M., & Lane, F. (2020). Experiences in an Online First-Year Seminar Paired with Remedial Mathematics. *Journal of College Orientation, Transition, and Retention*, 27(1).  
<https://doi.org/10.24926/jcotr.v27i1.2442>

Southwest Educational Research Association, Award for Exceptional Graduate Student Research, Feb. 2019 Paper: Student Experiences in an Online First-Year Seminar Paired with Remedial Mathematics

### Conference Presentations

Living with Clarity, SHSU Professional Development Conference, Keynote	March 2020
Leadership, Texas Junior College Student Government Association, Keynote	Nov. 2018
Strengths Based Supervision, TACUSPA New Professionals Institute	Oct. 2018
Master of Ceremonies, Student Organization Leadership Retreat, SHSU	Aug. 2018
Planning for Productivity, College of Education Development Conference, SHSU	Aug. 2018
Staff Council Professional Development Conference, SHSU	March 2018

### Selected Invited Talks

Moderator, Faculty Retreat, College of Osteopathic Medicine, SHSU	May 2021
Keynote, Phi Theta Kappa Induction Ceremony, San Jacinto College	April 2021
Keynote, Living with Clarity: SHSU Professional Development Conference	March 2020
A Pep-Talk for the Tired Leader, SHSU Staff Council Conversation Series	May 2019
Division of Student Affairs Leadership Team Development Day, SHSU	Aug. 2018
New Student Orientation Strengths Sessions, SHSU	June-July 2018
Team Development, Court Appointed Special Advocates of Walker County	June 2018
Division of Enrollment Management Staff Development Day, SHSU	Dec. 2017
Welcome to LinkedIn, SHSU Elite Cohort	Oct. 2017
The Productive Leader, Leadership Over Lunch Series, SHSU	Sept. 2017
Be Your Own Hero, Annual Admissions Recruiter Luncheon, SHSU	July 2017
Master of Ceremonies, American Democracy Project Book Club Luncheon	March 2017
Building Better Leaders, Leadership Over Lunch Series	March 2017
Mindset of a Leader, Leadership Over Lunch Series	Sept. 2016

### Committees & Work Groups

TACUSPA New Professionals Institute	2018 – Present
Leadercast Planning Team – Walker County, TX	2018 – Present

### PROFESSIONAL AFFILIATIONS AND MEMBERSHIPS

Texas Association of College & University Student Personnel Administrators	2018 – Present
Textbook and Academic Authors Association	2018 – 2020
Student Affairs Administrators in Higher Education (NASPA)	2014 – 2020

### HONORS & AWARDS

Outstanding Student Award, Ed.D. in Higher Education Leadership Program	Spring 2020
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