AGREEMENT ON MISSION AND INSTITUTIONAL RESPONSES TO DECLINE

Barbara Parker

This study of 56 small- to medium-sized institutions of higher education examines the causal paths between agreement on mission and severity of decline as they predict two types of responses to decline. The mediating effects of causal attributions are also examined. The results suggest that agreement on mission is the better predictor of responses; organizations with a high agreement on mission select fewer operating and strategic responses. An interpretation for these findings is that organizations with a high internal agreement on mission more selectively pursue responses to decline. Decline severity is shown to be of limited value in directly predicting responses to decline for this sample.

There is ample support for the idea that universities are both complex organizations and difficult to manage. Collegial governance, diverse and conflicting goals, and loosely coupled systems are only a few of the organizational characteristics that are believed to contribute to the complexity of university management (Cyert, 1978; Cohen and March, 1974; Weick, 1976). Moreover, it is generally acknowledged that management problems associated with the nature of the educational enterprise are exacerbated and increased under conditions of institutional decline (see Cameron and Chaffee, 1984; Whetten, 1981).

One recommendation for managing decline in higher education institutions is to borrow strategic management techniques from the private sector (Kotler and Murphy, 1981). These techniques typically emphasize the role of external environmental conditions, and the advantage of this approach for higher education is that it does encourage administrators to look beyond internal events to monitor external events and to examine the relationships among external and internal events. For example, a decline in enrollments both may reflect external demographic changes and may have an impact on
internal events, for example, good employees may leave (Hirschman, 1970).

The advantages associated with the strategic management approach are offset by evidence that much of decline research in the private sector emphasizes the determinancy of external events (Hambrick and Schecter, 1983; Hofer, 1980; Hughes, 1982). This emphasis may find few advocates in higher education, particularly those administrators who regularly witness internal events—for example, interdepartmental competition for resources—that give substantial shape and substance to institutions of higher education. This particularist (and more internally focused) approach to higher education is supported by a literature that argues for the unique character of individual institutions (Chaffee, 1984; Chaffee and Krakower, 1984; Zammuto, 1983). In summary, exhortations to adopt strategic management techniques in higher education may run counter to expectations that universities and colleges are highly individualistic and might then require highly individualized programs and plans in the event of decline.

A second limitation with an external focus is that decline conditions may draw attention inward rather than outward. Intensification of conflict (Hermann, 1963; Hirschman, 1970; Levine, 1978, 1979; Whetten, 1980), increased pluralism (Pfeffer, 1981; Pfeffer and Salancik, 1978), decreased morale (Bozeman and Slusher, 1978; Whetten, 1981), and voluntary turnover (Hirschman, 1970; Levine, 1979) are all effects of decline. An administrator facing daily evidence of one or all of these effects may find it difficult to attend equally to both external and internal events.

In effect, administrators may feel trapped by prescriptions for strategic management in an environment where business as usual has a strong internal focus. This dilemma is the basis for the research described in this paper. The study and its results examine both external and internal factors and their relative impacts on responses to decline.

The practical implications of this research are reflected in results indicating that while both external and internal events are useful in understanding responses to decline, subjective factors, particularly internal agreement on mission, are far more useful in predicting responses to decline for this sample than is the externally produced severity of decline. These results are the basis for an argument that a critical dimension of response to decline is how members of the dominant coalition perceive decline. This suggests that under conditions of decline, an important managerial function may be to interpret external events for organizational participants. For example, demographic change leading to enrollment decline is subject to different interpretations, some of which are inability to compete with peer institutions for students, poor recruiting, and absence of high-demand academic programs.

Without a shared interpretation, these differing opinions on cause within