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Change comes slowly in higher education, where, it seems, colleges and universities operate by the principle that nothing new should happen for the first time. Nevertheless, significant change has become the norm on campuses across the nation. As these institutions adapt, they will do well to be guided by core values, clear missions, and a vision for the future. Syracuse University is one of many following such a path to the twenty-first century.

Effecting Change at Syracuse University:

The Importance of Values, Mission, and Vision

Imagine a log floating down a river on which a colony of ants has lodged. If you examine them closely, you'll see the insects in furious activity, each probably thinking it is personally responsible for steering this "boat" through the water. We know the ants are all in this fix together, floating along to a fate none of them can predict. It might be a new environment on the banks of the river—an environment rich in ant food and full of good places to build a safe colony. It might be the rapids in which all will perish. Or it might be a long, hazardous journey that leaves only the hardest ants alive.

All we can say for sure now is that wherever that log goes, so go the ants.

We hesitate to offer this comparison since not many of us in higher education strongly identify with ants. But the analogy is meant to suggest that this might be a good time to stop rushing around with business as usual and take a

look at the bigger picture. We're headed into unfamiliar waters, and the only thing we can know for sure is that change is waiting for us around the bend.

This unsettled situation has been as familiar as band practice in the nation's colleges and universities for nearly a decade now. It has given voice to the doomsayers who predict the decline and fall of the American higher education system. Five years ago, when we were experiencing the full force of reality shock, one professor was quoted in the *New York Times* as saying, "What we're witnessing is the death of the 19th-century research university." (February 3, 1992.)

He wasn't alone in his view. Fortunately, the situation turned out to be less dire than predicted. That is because most of us are dealing with the realities we face today—changing demographics, price/value concerns, calls for greater accountability, diminishing state and federal support, and so on. And most of us have become intimate with terms like restructuring, retrenchment, and downsizing.

This is true whether we labor in the public or private higher education vineyards. In both, an institution-wide change is difficult to accomplish, more difficult than in business and industry, in our view. Nevertheless, budget cuts lead to certain nearly universal circumstances: loss of staff through layoffs that, in turn, creates a climate of uncertainty within which staff left behind must shoulder more work and more stress.

Communities surrounding the restructuring institutions certainly feel the impact, too. Most colleges and universities have set down deep roots in their neighborhoods through community outreach and other programs, not to mention their status as consistent employers and contributors to local economies.

Restructuring a university or college, then, is a task best conducted with utmost care. Those of us deeply involved with this ongoing process must remain mindful of this fact, and make decisions according to a set of principles that align with the institution's mission and vision.

Admittedly, this is somewhat easier to do at private institutions. Below is the story of Syracuse University (SU) and its progress to date. We are aware that the political restrictions that public universities face are not nearly so evident here. And we will discuss some possibilities that could make the process of change run more smoothly in the public sector.

Syracuse University

Syracuse University is a 127-year-old mid-size, independent, coeducational, and nondenominational research institution located in upstate New York. Founded as an undergraduate liberal arts university, it grew to include 14 separate colleges, a strong graduate program, and a nationally recognized research

initiative. Admitted to membership in the Association of American Universities in 1967, Syracuse now houses major research centers such as the Northeast Parallel Architectures Center, the National Academy on Aging, and the Center for Molecular Electronics. Its two best known schools—the Newhouse School of Public Communications, and the Maxwell School of Citizenship and Public Affairs—are home to programs ranked number one in the nation.

In the 1980s, SU was on a roll: undergraduate enrollment stood at 12,000 students, just eight percent of its tuition income was needed for institutional financial aid, and between \$10 and \$15 million a year was tucked away into a reserve fund.

And then a new reality hit. By the end of the decade, the predicted demographic shift in the numbers of college-going 18-year-olds made its presence known. This 20 percent decrease in the applicant pool was coupled with an economy that seemed to be built on sand.

At Syracuse University, enrollment dropped and many more students required financial aid. In an increasingly competitive market, financial aid became an essential marketing tool, especially for recruiting students of exceptional merit.

In 1991, the University projected an annual deficit of approximately \$40 million if no action were taken. But anyone who knows anything about universities also knows there was not an immediate and universal agreement about what that action should be. Some suggested that we just needed to be more cost-effective. The trouble was that everyone in that group had a different area in mind to be axed (never their own, naturally). Others said, "Make the admissions people go out and get more students," leaving unspoken the assumption that standards would likely drop. Still others wanted to batten down the hatches and ride out the storm until the predicted upturn in the 18-year-old population came about in the late 90s.

Clearly it was time to break through the denial—and do so quickly—so that the community could come together and make decisions that most could accept. The first step was not crunching numbers. It was articulating and repeating the mission of the institution and the core values that had brought unity to Syracuse University for more than a century.

Values, Mission, and Vision

In the early stages of restructuring, the internal and larger communities were confused and frightened. It was important that they remember that Syracuse would continue to rely five core values—*quality, caring, innovation, diversity, and service*. These, as much as the ledger sheets, would guide the process of making financial sacrifices.

Accordingly, the core values were reinforced through speeches, reports, meetings, and other University community events. In this way, the groundwork was laid for the hard work that was to come. The bottom line was that budget decisions would be judged by how they preserved the values.

In time the institution's mission—which had once given greater emphasis to the creation of new knowledge—was re-cast into a statement about the responsibility of faculty, students, and staff to promote learning through teaching, research, scholarship, creative accomplishment, and service. From that came the vision to become the nation's leading student-centered research institution.

Vision at Syracuse, though, was certainly not hyped up, messianic pronouncement from on high. Nor was it a play for some sort of wishful expectation that the University's leaders could restore a sense of pride or boost morale all by themselves. It was, in fact, a statement of purpose that most people could embrace. It was also a reachable goal given time, commitment, and hard work.

At the same time, an accurate and complete picture of the University's financial situation was shared openly and widely with the community. Largely by means of the campus newspaper and reinforced through speeches and meetings, the fiscal strengths and weaknesses of each of the schools and colleges and the administrative units were aired.

In some cases, for the first time people learned that some units were shouldering far more of the financial burden while others depended on the largesse of the institution for as much as 80 percent of their operating funds. Even the legendary reserve fund, once shrouded in secrecy and therefore widely assumed to be on a par with King Solomon's mines, was opened for view. A team of consultants was hired to assess the administrative units to ferret out bloat.

With this information available, the community was asked to make suggestions and proposals that would be in keeping the mission, vision, and values. The response was heartening. The University Senate, composed largely of faculty representatives, made more than 100 policy recommendations (90 percent of which were approved). Following the publication of a preliminary restructuring plan by the Vice Chancellor, more than 150 community members sent thoughtful responses and advice.

On February 17, 1992, a full restructuring report was released and reinforced by two addresses made by the chancellor to the faculty and to the community. The report revealed that administrative units were to be cut disproportionately in comparison to academic units. The exceptions were areas such as counseling and public safety, clearly key areas for student welfare and well being. Within the academic units, cuts were made strategically according, in

part, to a quality-centrality-demand metric. Thus some units were given budget add-ons of up to \$1 million, while others dealt with cuts up to 50 percent. All the schools and colleges were then left to the hard work of making assigned cuts in a way that would preserve the unique ways in which they embodied the values, mission, and vision of the institution.

The human restructuring costs were never hidden. Supported resignations, layoffs, and unfilled vacancies were hard facts of life. Accordingly, the human resources function at the University received additional financial support to counsel and advise those who were let go. Supervisors across campus were advised to exercise heightened sensitivity, not only to those who were laid off but also those who stayed on, to feel the loss of their colleagues and shoulder the extra work that came with a smaller staff. Thus, while the work of the University went on, the grieving process was given due respect.

33 Initiatives

Clearly all the Syracuse “ants” were now paying close attention. This was an excellent opportunity to target and improve areas of strength. Syracuse was experiencing fiscal pain as well as renewing itself. Renewal “helps participants reaffirm their values, replenish their energy and commitment, find satisfaction in their collective enterprise, and share their belief that their present success is a precursor to even higher achievement in the future” (Birnbaum, 1992, pp. 124). Therefore, along with the messages about budget cuts came a detailed plan for positive change known as the 33 Initiatives.

Two or more of the 33 initiatives pertained to each of the five core values. They ranged from a quality improvement plan for the administrative areas to a classroom-focused effort for new students. The overarching purpose was to make Syracuse a university where student learning and growth occupied the number one spot on the priority list, where the community united in support of its mission, and where the values of quality, caring, diversity, innovation, and service were evident.

It's a fairly good bet that some of the University community initially reacted to the 33 initiatives as so much window dressing and a diversion from the fiscal realities in process. The plan was given muscle with a \$2-million Chancellor's Fund for Innovation, the dedication of financial and human resource support for a new quality improvement initiative known as SUIQ, and a continuing update on the progress of the initiatives as they were implemented and adapted to meet changing needs, and succeeded.

Syracuse University Today

Much has changed on campus over the course of the four and a half years since the restructuring plan was announced and implemented. Not all of these changes are entirely positive, although adjustments had been expected from the beginning because the future for higher education was, and remains, very fluid.

For example, Syracuse University undergraduate enrollment now stands at just over 10,000 students, down from a high in the mid-1980s of 12,000, a figure below the numbers projected in 1992. And it was necessary to provide more financial aid than predicted to attract the caliber of students the University desired. As a result, a mid-course correction was necessary. An additional cut of \$6 million will be implemented from 1996 to 2000. Like the first set of budget cuts, these held the core educational functions harmless as much as possible. The schools and colleges, for example, experienced a 2 percent cut compared to nearly 4 percent on the administrative side. Some initiatives, such as the honors program, the college learning skills program, and the future professoriate program, received incentive funds.

Nevertheless, there has been a further reduction in numbers of staff. By 1999 the University expects to have 190 fewer faculty members (all through supported resignations or retirement) and 416 fewer staff (a third through attrition).

At the same time, though, evidence of progress in support of the core values, the mission, and the vision continues to mount. Syracuse has, for example, moved up in the annual *US News & World Report* rankings into the top tier of national research universities. It received the 1996 Theodore Hesburgh Award for its progress toward its vision to become the nation's leading student-centered research university.

Most recently, a comprehensive survey of the University's recruitment program revealed a significant rise in the percentage of current students who strongly encourage prospective students to apply for admission. That, more than any other factor, is indicative of the effect of a full-court press to improve both the academic and service environments on campus.

What can be learned from Syracuse University's restructuring experience? In simple terms, it suggests the following:

- Identify and reinforce core institutional values.
- Use those values as a backdrop for decision making.
- Share all relevant financial information with the campus community.
- Involve the community not only in the grieving process, but also in the decision making process.
- Use the opportunity as a time of renewal and quality improvement as well

as fiscal responsibility.

- Monitor financial programmatic progress carefully and make adjustments as necessary (it *will* be necessary).

These steps, adapted at the margins, can work just as well in public institutions as private institutions. Obviously, though, the public institutions have more hurdles to jump.

The Public Universities

As we have noted, the significant—even sweeping—changes described above are far easier to bring about in a private, independent institution. Public institutions, living as they do under far more legislative constraints, may have all the good intentions in the world, but very little freedom to implement them.

We know that leaders of higher education of all types have high stress occupations. They put up with 80-hour weeks, exhausting travel schedules, and a daunting variety of personnel, alumni, and donor concerns, among other things. Nevertheless, leaders of private universities generally have greater freedom to invest in good ideas. They also have greater freedom to fail, but most prefer autonomy with accountability over very little autonomy at all.

Leaders of public institutions must cope with a constraint-driven environment caused by the competing interests of the constituencies—a public that wants good quality at low cost, students who want access and services for very low tuition, and legislators who will do what's necessary to get elected, even if they decimate the universities in the process.

One of the authors has made a radical suggestion: try a market-based, accountable system for public higher education (Shaw, in press.) Briefly, this would allow institutions to be both profit and cost centers. State legislatures would allocate base-level funds to their universities and allow them to augment the funds through tuition, fund-raising, and other revenue-enhancing efforts. Savings or profits could be rolled over to the next year's budget when appropriate. (At Syracuse, the academic units may employ such revenue-enhancing efforts as increasing their master's degree candidate enrollments. All units are encouraged to roll over funds from one budget year to the next without penalty.)

Through mutual agreement, government and higher education would create a set of key indicators to measure each institution's performance. Each university, in turn, would devise a specific evaluation plan for its own campus according to the distinctive mission, values, and vision of each.

This theory contends that greater cost-effectiveness and higher quality would result if the flexibility described above were implemented. However, autonomy must be limited by accountability according to clear standards for evalu-

ation.

So far there has been little movement toward a market-based, accountable system for public education. Legislators seem to be wary of giving universities greater freedom. Some universities embrace the idea of greater authority but are less enthusiastic about the greater scrutiny that would accompany it.

But as long as the burden of bureaucracy and the excesses of politics continue to hang heavy around the necks of public higher education institutions, improving universities according to their mission, vision, and values will be extremely difficult.

Change and the University

One wag has said that universities are places where people believe that nothing new should be tried for the first time. As with all humor, there is some truth in that, or else it wouldn't be funny, especially to those with some experience on the inside. Universities have floated along, each with its own population of ants, nearly oblivious to their surroundings. Through a variety of circumstances, they have been left alone to do what is needed to teach and produce new knowledge. And the public has generally nodded with approval and sent its sons and daughters to campus in a steady stream.

As we have discussed in this article, the time for complacency is long over. Change is going to happen, like it or not. We believe that higher education can help make those changes largely positive if they are made according to the values, mission, and vision of the various institutions.

Suggested Readings

Cole, J. "Balancing Acts: Dilemmas of Choice Facing Research Universities," *Daedalus: The Journal of the American Academy of Arts and Sciences*, Fall, 1993.

Hahn, R. "Getting Serious About Presidential Leadership: Our Collective Responsibility," *Change*, September/October, 1995.

Birnbaum, R. *How Academic Leadership Works*. San Francisco: Jossey Bass, 1992.

Shaw, K. "How the Other Half Lives: Going from Public to Private and Loving It!" *Seeking Excellence Through Independence: Free Public Universities from State Regulation*, ed. T. MacTaggart, in press.