Crisis, Cooperation, and Change: An Insider's Perspective

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Abstract

This article describes the reaction of one urban institution when it was surprised by a major decrease in enrollment. The change process, including the involvement of the Board, faculty, staff, and students working with the administration, is discussed. The article concludes with a discussion of the major improvements that evolved from the crisis and how the involvement of all segments of the university made a difference as the institution utilized the challenge to craft major improvements.

This article discusses a sudden decrease in enrollment, and thus finances, and the steps that were taken to adjust to the crisis while simultaneously improving the quality of the institution. This particular case study has broad relevance for urban institutions for many reasons. First, some suggested that fear of inner-city crime was one of the forces that had an impact on enrollments. This, and the rapidly changing urban demography, can impact urban enrollments more than institutions in other settings. There is also a widely held assumption that if one changes approaches to enrollment in an urban institution, it is likely to both decrease diversity on campus and the access provided to potential students within close proximity to the campus. Located near the center of Boston, it was necessary for Northeastern University to address these issues as it faced its problems.

This article will outline the crisis that Northeastern faced and the strategy that it followed to address its enrollment problem, with a focus on the University's involvement of multiple constituencies as the institution addressed issues and the processes used to involve these interest groups. It will conclude with a description of some of the changes that were made to shift the direction of campus and the lessons learned, including the need to share data and information widely and involve as broad a set of participants as possible.

The Crisis and Its Impact

When I arrived at Northeastern University to take the position of Provost in the fall of 1990, the institution was facing a crisis. The incoming freshman class of 2700 students was about 1000 less than had been estimated for the year's budget and about 1400 less than the freshman class of two years previous (Feldsher 2000). In an effort to address the crisis, we made decisions that would eventually lead us to reduce the full-time undergraduate student body by 29 percent. This adjustment required a budget reduction of 14 percent over a three-year period in the academic area; a reduction in the first year of 524 staff, out of 1,897; and the reduction of 151 faculty positions over four years (Office of Institutional Research 1996).

While there was much speculation as to the reasons for the shortfall in the number of students for Fall 1990, no one was quite certain of the cause. Many thought the murder of two Northeastern students the previous year, one quite distant from campus, combined with the national publicity of an alleged racial murder in central Boston had scared families to the point of prohibiting their children from enrolling. Others, particularly many faculty members, noted that Northeastern was not a first (or second) choice institution and its near open-enrollment policies discouraged students who had opportunities elsewhere.

When the 1990 census data were released in the late fall, it became very clear that the demographic profile of New England in general, and Massachusetts in particular, revealed a severe downward trend in the number of eighteen year olds since the last census. Massachusetts would see a thirty-one percent decline in its eighteen-year-old cohort in a five-year period. This would leave vacancies in the classes of nearby competitors (including Boston University and Boston College) that were able to woo potential Northeastern students.

On top of these possible reasons, it was also clear that the region was entering a recession. In this economic environment, the rising cost of tuition at an independent institution was likely to discourage applications. This could well have been a factor, especially since Northeastern had not traditionally offered significant amounts of continuing financial aid to its entering students. Northeastern had assumed that the cooperative education program, the hallmark of the institution—where students alternated periods of studying on campus with periods of university approved full-time employment—was providing upper-division students with the opportunity to earn money to pay tuition and expenses. In the past, this program had, indeed, allowed students to save earnings for tuition, but by 1990 was barely providing enough money for living expenses during the co-op terms for many students.

The Challenge of Becoming a Smaller and Better Institution

The president of Northeastern, Jack Curry, who had served as president since the fall of 1989 but had spent much of his career at the institution and knew it well, made a couple of rapid and very critical decisions. He publicly announced in an address to the campus in September 1990 that the crisis would be taken as an opportunity to shape Northeastern into a smaller and better institution. The administration viewed the attraction of better-prepared students as the only alternative that would allow the institution to maintain a strong market position, given that the number of eighteen year olds was decreasing in New England and competition for them would grow. The situation required the campus to assess what the institution needed to do to improve itself programmatically, become more efficient in its business practices, and create a friendlier physical environment for students. These improvements would require an investment of resources by an institution that had quite rapidly become resource poor.

The president's decision was consistent with the faculty's desire, expressed during the previous few years, to increase the academic strength of the student body. Both the administration and the faculty felt that if Northeastern did not become a first choice of students, it would lose students to other Boston area institutions and follow in the footsteps of truly troubled universities. As paths to avoid, the faculty often pointed toward examples of other institutions that were having financial problems, especially one nearby academic institution that had dramatically shrunk in size, had come close to bankruptcy, and had terminated a majority of its faculty. Many of our faculty were fearful that Northeastern faced the same prognosis in terms of long term health if we did not alter our strategy for attracting students.

Broadcasting the Strategy of "Smaller and Better"

The president made it clear early in the fall that he would communicate his decision to improve the quality of the student body at Northeastern throughout New England by offering four-year scholarships to all national merit semi-finalists in New England. As Northeastern had only attracted one such student in 1990, this was a brilliant and low cost decision. Regardless of what steps the university took over the next several years, the marginal costs of accommodating more students at this level would be minimal. In fact, by Fall 1992, about 170 merit semifinalists applied and the entering freshman class had over 50 semifinalists (Feldscher 2000). This sent a message to guidance counselors throughout the region that Northeastern was on a quest for better students.

Once this symbolic, but important, statement had been delivered, there was much that needed to be done politically, financially, and academically to turn around an institution and reshape it into the "smaller and better" image that had been announced by the president. In order to make the necessary changes, the senior administration understood that the budget had to be controlled and that a decrease in the student body also meant a permanent reduction in the budget. The loss of 1,000 first-year students in an independent institution that was very heavily tuition-driven meant a loss of approximately $11 million in the first year. Decreasing the freshman class on a permanent basis meant a loss in the tens of millions as the smaller classes moved into the sophomore year and beyond. The changes that were anticipated were of a magnitude that would have both a fiduciary and policy impact, which made it imperative that the Board of Trustees understand and support them. It was also very clear that to make the kinds of reductions in the budget that were necessary to have a smaller undergraduate student body, there would have to be a substantial decrease in staff and faculty size. With over eighty percent of the institution's budget in the areas reporting to the provost, it was clear that successful changes could only occur in a positive manner if the faculty were involved and supportive.

Two steps were taken in the early fall of 1990 to begin to include the board and the faculty in decision-making. First, the chair of the board, working with the president, appointed a Board Special Committee on Enrollments to examine issues related to size, retention, financial aid, recruitment of students, quality of the student body, etc. Second, the provost appointed a faculty Committee on Academic Priorities.

Board Activity: Informed, Engaged, and Supportive

The Board Special Committee would work very closely with the president, provost, and treasurer for a seven-month period. This committee was not interested in the day-to-day decision making, but rather in the long-term policy issues that were related to enrollment and the fiscal health of the institution. This committee, which was composed of close to a dozen board members, met weekly for almost three months. At each of the meetings the administration presented information on a specific topic related to these issues. The information was usually comparative in nature and looked at other similar—and some dissimilar—institutions. The topics addressed included ideal size of an institution; size *vis-à-vis* the interests of the student body; quality of the student body and faculty; relationship of quality of the students enrolled to retention; comparisons of Northeastern's retention with other specific institutions and with different types of institutions; and the impact of financial aid on attracting and retaining students. The Board Special Committee's final report was consistent with the administration's position that Northeastern had to increase student selectivity, grow the amount of resources expended for financial aid, and improve retention. The Board agreed that it was critical to increase the institution's academic reputation and to become a smaller and more focused institution (Northeastern University Board of Trustees 1991). The close working relationship between the administration and key board members that developed during the deliberations of this committee was critical to the eventual success of the long-term plans.

The Politics of Sharing Decisions

Early in the academic year, as provost, I appointed a faculty Committee on Academic Priorities with an initial charge of setting priorities for taking steps immediately in the academic areas to address the short-term financial shortfall. The committee was also charged with making recommendations concerning how the institution should adapt to the longer-term reduction in student body as new and smaller freshman classes entered the institution.

Appointing a committee of faculty who would act responsibly and share decision-making responsibility was not as easy and straightforward as it might seem. The awareness of politics came from administration and faculty governance structures alike. At the very beginning of the assessment of how the institution would approach its dilemma, the deans of the colleges and directors of equivalent units in the academic areas were asked to submit proposals for budget cuts at various levels, up to twenty-five percent over a three year period. They were informed that their submissions would be only one of many sources of input and that this would be shared on a confidential basis with the faculty Committee on Academic Priorities, as well as with the senior academic administration. Interestingly, many of the deans resented the idea that their plans would not be reviewed only by the administration and approved, altered, or rejected. Their resentment toward a faculty priorities committee reflected past policies that had often been put in place by a top-down decision-making structure. The resentment over loss of control did not ease until there was some turnover of deans several years later.

Similarly, there was concern among the Faculty Senate leadership. The Agenda Committee (Executive Committee) of the Faculty Senate was approached for its nominations for membership on the Academic Priorities Committee. They immediately stated that such a committee could only be appointed by the Senate and should contain only Senators. As provost, I viewed the Committee on Academic Priorities as an advisory committee and not a faculty governance committee. After considerable discussion, a compromise was reached. This would be a provostial committee. It would contain only members of the Faculty Senate or of Senate Committees, a much broader group of faculty. Advice on appointments would be taken from the Senate, and the Senate Agenda Committee would have veto power over any appointment. However, the committee would be selected by and appointed by the provost. In fact, this process worked well and insured breadth of background, approval by the faculty governance leadership, and resulted in a committee that could embrace a broad view of the entire institution.

The faculty committee was a most difficult committee to assemble and its functions turned out to be very complex. I felt that to be effective, a Committee on Academic Priorities had to be broadly representative of the faculty. It needed to include individuals with a range of views. These views should reflect an understanding and support of research and the wide range of undergraduate, graduate, and professional education that was offered at the institution, as well as the institution's commitment to community service. In addition, all members needed to be able to take a campus-wide view and not focus on the protection of their own units. While it was advantageous to have long-term senior faculty on the committee, there should also be some representation from faculty who had experience at other institutions, as well as junior faculty. In addition, it was critical that the committee be diverse by gender and ethnicity. Committee members were selected who had, in the past, demonstrated that they could look beyond their own unit. Fortunately, once the committee was appointed the Senate Agenda Committee expressed comfort, possibly in part because their chair was appointed to the committee.

A Responsible Faculty: Setting Priorities

Not all of the issues that the institution would have to address were obvious at the beginning of the process. As we began to address the implications of the budgetary shortfall, our approach to change evolved. It became clear that not only did we have to consider faculty size, but also the programs that were offered. To the surprise of the faculty, but not the administration, the great majority of the expenses at the institution were in salaries. As in most institutions of higher education, even in the academic areas many of these salaries were not for faculty, but for support personnel. Thus a reduction in the size of the student body meant substantial changes to administration and to academic support units as well as to faculty. Because the president had declared the institution would get smaller *and* better, the faculty Committee on Academic Priorities would be faced with making difficult recommendations that would require the institution to adapt to unavoidable reductions. In addition, scarce resources had to be allocated into new areas.

In the short term, Northeastern accomplished its financial goals by reducing staff by 28 percent, including a layoff of 175 people, in the 1990–1991 academic year. The faculty was reduced by 16 percent over a four-year period, completely through normal attrition (Feldscher 2000). No tenured or tenure track faculty were terminated in a manner other than would have occurred in normal budgetary years, and tenure continued to be awarded according to the same criteria and at the same rate as before the budget crisis. Over a five-year period the full-time undergraduate student body decreased from 15,249 to 10,747. While the student body was decreasing, the institution attracted better-prepared students. The average combined verbal and math SAT scores of entering classes increased by about 130 points. The proportion of the entering freshman class that had been in the top ten percent of their high school class increased from 8.7 percent to 15.7 percent (Office of Institutional Research 1996).

It was the processes that involved inclusion of the entire university community that seemed to make this change workable. I would like to describe the three key elements: (1) cooperation between the administration and the faculty Committee on Academic Priorities; (2) development of a long-term strategic plan; and (3) the role of students and staff in some of the important decisions. In each of these elements we found that using and sharing data, ensuring good two-way communication, encouraging all to think creatively, and promoting entrepreneurship was useful. I will conclude by summarizing a number of the many changes that were made, as Northeastern became a smaller and better university.

The Committee on Academic Priorities worked diligently for two years. It worked in close cooperation with the administration. Both the executive vice provost and I attended every meeting to share ideas and thoughts. Both of us indicated a comfortable willingness to leave the meeting at any time the Committee wished to deliberate in private. I informed the Committee, however, that I would learn more by listening to their discussions than from a final written report.

The Committee's first product was a proposal on criteria for determining faculty positions that were critical to fill as the institution coped with freezing vacant positions and decreasing the number of faculty positions to meet budget expectations. The Committee met with numerous faculty and administrative groups in formulating its report. The report was taken to the Faculty Senate for discussion when it was complete and then shared with the faculty as a whole. I agreed to use the Committee's proposed criteria as faculty positions were allocated.

The Committee on Academic Priorities then turned its attention to addressing how the institution could "get better" as well as smaller. It was the feeling of the committee members that the entire university community would find it easier to be supportive of the effort to decrease the size of the student body and increase the quality of the students if there were assurance that real efforts to improve the quality of academic programs, rather than just cut budgets, were in place. They requested a significant pool of non-recurring resources to use over a two- to three-year period to serve as an incen-

tive to programs and departments for making major improvements in their offerings. The Committee suggested several criteria for funding: improvements to existing programs or services; new programs that would positively impact the campus (funds were non-recurring, thus, any new initiative had to be self-sufficient after a set period of time); and programs that would enhance the reputation of the institution. Several programs were initiated in each of two years. Among them, for instance, were a new M.A. Nurse Anesthesiology program, in partnership with the New England Medical Center, that attracted significant numbers of new students and resources, as well as a new undergraduate program in Latino-Caribbean Studies, which also attracted new students and enhanced the diversity of the student body (Feldscher 2000).

Almost simultaneously, the Committee began to address the major long-term reductions that would be necessitated by budget reductions. The Committee was concerned that shrinking each unit would cause a deterioration of the programs rather than an increase in the quality of the institution. My staff and I shared their concern. Thus, the Committee needed to devise a mechanism for recommending program reductions, eliminations and consolidations that would allow the University to focus and build upon its strengths without narrowing its programs to the point of damaging the general comprehensiveness of the university's programs.

Working with the Committee, we circulated a request to all faculty and staff asking for their suggestions for programs that could be eliminated; programs, departments, or colleges that could be consolidated; and other changes that might lead to efficiencies in the academic area. The request specified several criteria to consider, including centrality of the program to the institution, attractiveness of the program in enrolling students, financial viability of the program, quality of the program, and program faculty. The call for proposals emphasized that no tenured or tenure-track faculty would be terminated early or laid-off, and that tenure considerations would proceed normally regardless of the fate of a program. The provost's office assured the committee and the campus that if any faculty member's position were affected by a change, the faculty member would have the opportunity to move elsewhere in the university. He or she would have an assignment performing tasks that were necessary to the institution and consistent with the faculty member's abilities and skills. In addition, any change in responsibility or position would be done in consultation with the faculty member.

In response to the request, the Committee on Academic Priorities received over seventy proposals from both faculty and staff, and from both individuals and groups. The committee and the provost reviewed each proposal in great detail, often gathering data about the quality of the students, work of the faculty, enrollments, majors, graduation rates, and similarity to other programs on campus. The Committee recommended the elimination of several programs, and the merger or reorganization of departments and colleges.

The administration worked closely with faculty leadership to follow the codified process for structural changes of academic units. The process involved a vote first at the department level, then in the college on any change that would have an impact on a

program or faculty in that unit. Finally, the Faculty Senate would vote and send its recommendation forward to the president for his action.

At a gathering of the full faculty, I outlined the recommendations of the Committee on Academic Priorities. Over a three-month period, the president and I met with every department and college that was involved in the possible changes, and I made a presentation on each change to the Faculty Senate. The Senate debates were extensive and detailed. The Senate endorsed ten of the eleven recommendations. The President accepted the recommendations of the Senate, including one that went counter to the desires of the Committee and administration. The eventual outcome was the merger of two colleges, the consolidation of several programs across departments, and the elimination of nine programs.

Focusing on the Future

These alterations in structure were only a part of the changes that would occur at Northeastern University. It quickly became clear that accomplishing the goal of improving the institution required a strategic plan. Working with other parties, the Deans' Council and the Faculty Senate Agenda Committee designed a process that was intended to engage the entire campus. In addition to planning, the process was developed to insure interaction among the colleges and move the campus from acting as a set of semi-autonomous units to a university that worked together as a single unit. Based on conversations with several focus groups, led by an external consultant, task forces were established to address ten areas ranging from research to quality of student life. There were faculty, staff, and students on each task force. A Steering Committee was designated to develop a final planning document from the work of all of the task forces. This plan was circulated to the faculty for feedback. After a second iteration of the plan, it was submitted to the Faculty Senate for a vote. After passage it was submitted to the entire faculty for a vote, and then to the Board of Trustees. In each instance, passage was by significant margins, almost unanimous in the Senate and on the Board.

Building a Tradition of Shared Decisions

While much of the strategic plan called for substantive changes in the direction of the campus, portions of the plan assured that there would be continued faculty participation in governance and expanded student participation in some aspects of decision making (Cipolla, et al. 1994). For example, a regularized budget committee that included significant faculty, student, staff, and administrative participation was established. The establishment of a budget committee that involved all segments of the campus made it much easier to discuss the allocation and reallocation of resources that were critical to the campus, but previously had not been considered a high priority, such as student financial aid. In general, various departments and divisions acknowledged each other's needs and desires.

The involvement of the board, the administration, the faculty and staff, and the students in major decisions, in long term planning, and with each other played a major role in

converting a potential disaster into the strengthening of an institution. Northeastern, in a brief period of five years, went though transformational change. In this brief article it is impossible to outline the total process or to provide a complete inventory of the specific changes that occurred. However, it has highlighted some of the key features of the process. What follows is a brief review of the major changes that occurred during the transition.

From Crisis to Positive Change

The crisis, the communication, and the planning that occurred at Northeastern led to a transformed institution. Attracting a better-prepared first-year class was made possible by creating an Office of Enrollment Management to oversee recruitment, retention, and financial aid. The programs implemented by this office dramatically increased applications both within and outside of New England (Office of Institutional Research 1996). Special efforts were made to increase the number of minority students, even as the undergraduate student body was becoming smaller. Between 1990 and 1996 the proportion of students of color increased from 12 percent to almost 18 percent (Feldscher 2000).

To provide a more welcoming atmosphere and increase retention, an important part of the financial plan, the Office of Enrollment Management implemented a summer orientation program for new students and parents, held in small group sessions throughout the summer. They also inaugurated "one-stop shopping," which provided cross-training of employees in the housing, financial aid, and registrar's office to eliminate what had come to be called the "NU shuffle." A program was initiated to provide diversity training for every faculty and staff member on campus over a period of about a year.

At a point not long before 1990, Northeastern's very urban campus had been described as a "sheet of asphalt with buildings bubbling up." Establishing an environment that was both welcoming and "felt like a campus" was seen as an important step in transforming the institution. A change in physical appearance began with improvements in the quality of classroom space and continued with removal of central campus parking lots and replacing asphalt with grass, plantings, and red brick walkways. Over a five-year period the entire central campus was converted from parking to a park-like atmosphere, including outdoor sculptures. With the leadership of the Student Government Association, a decision was made to completely renovate the Student Center, a $17 million project. Students fully participated in the redesign of the building and committed to meet its financial obligations through an overwhelming student body vote to substantially increase student fees to to cover the debt service for a significant part of the cost of renovation. Refinancing of institutional debt and significant external donations funded a new classroom building and major renovations in other classrooms, as well as the construction of a new recreation center on campus.

As change progressed, major transformation occurred in the academic area. Programs ranging from the institution's signature cooperative education program to freshman advising and student evaluation of faculty were altered to increase the strength of the academic programs. Most importantly, however, the entire undergraduate curriculum

was reconceptualized. A faculty committee spent two years discussing what an undergraduate education at Northeastern should look like. The outcome of these discussions has been a program that interweaves general education and the major, that integrates experiential and classroom based learning by building on cooperative education, that provides a common understanding of liberal arts, professional and pre-professional curricula, and that re-focuses undergraduate education so it considers student learning outcomes. The Faculty Senate unanimously passed the program, called the Academic Common Experience.

There is No Conclusion (to Change)

What began as a crisis in 1990 developed into an opportunity to transform a university from a large, unwieldy, virtually open admissions institution into a campus with considerable academic strength. Over a period of approximately five years Northeastern reduced its student body to a manageable size, made major changes in its enrollment management program, created a more physically and socially welcoming environment, and strengthened its academic programs. In large part, this was accomplished because of close communication and cooperation between the administration, the Board of Trustees, the faculty and staff, and the students.

During this period of change, often fraught with tensions and fears, my observations taught me several lessons about leadership. Among those there are several that can be generalized to almost every major issue where one is trying to engineer change in an institution of higher education. They include:

- Thinking through the governance process will make a significant difference. Many of the decisions we make in higher education involve a tangle of governance structures and a range of constituencies. If one carefully considers how each constituency should and can be involved, the conflicts of decision-making can be reduced.

- Treating individuals well is important. This includes assuring them that they can be trusted and that their opinions are valued. However, it also includes managing distasteful decisions. A complete discussion on how Northeastern handled some unpleasant situations can be found in *Northeastern University 1989-1996* (Feldscher 2000).

- Sharing information with a wide range of groups is necessary. This limits the perception on the part of each group that they are being mistreated relative to their peers, even though unequal treatment must occur on some occasions.

- A long-term view is more crucial than what happens in the short-term, both for the institution and its programs as well as for the individuals involved.

- Creating positive events, such as making a relatively small investment for the improvement of programs, will lead to more optimism among faculty.

The transformation of Northeastern University was not completed in the short period of time I have discussed. In 1996 there was a change of presidents. However, the groundwork had been laid for the continued transformation of the campus from the large and unwieldy institution of the late 1980s to a smaller, better, and stronger institution in the new millennium. Issues the institution will face as it continues to restructure include working with its urban neighbors as it wishes to update the physical plant, cooperating with the city to create a better environment in the neighborhood around the campus, and attracting significant numbers of students from the central Boston area. The restructuring of the campus and its student body has continued on the path developed during the period of crisis. Further work has been built on the strength of trust and cooperation among the campus constituencies that was developed in the thrust toward transformational change.

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