USING CHANGE THEORY TO BETTER UNDERSTAND CAMPUS RESPONSE TO

STATE MERIT AID PROGRAMS: AN ANALYSIS OF THE WEST VIRGINIA

PROMISE SCHOLARSHIP PROGRAM

by

ROBERT EDWARD ANDERSON II

(Under the Direction of Erik C. Ness)

ABSTRACT

Historically, state governments bear the brunt of the financial burden regarding

public higher education within their borders. The result is that states must find a variety

of means to generate the funds needed to operate higher education institutions.

Beginning in the first half of the 1990s, states began to turn to a new revenue stream to

fund higher education needs: merit-based lottery scholarships. This phenomenon began

on a broad scale in 1993 with Georgia's Helping Outstanding Pupils Educationally

(HOPE) Scholarship. Since the inception of this initiative, many other states,

predominately southern, have implemented various forms of this merit aid approach.

West Virginia adopted a legislatively ratified merit aid program in 2002. This

dissertation is an exploration of higher education institutional response to West Virginia's

adoption of a broad-based merit aid policy. These campus changes are examined through

the lens of three higher education organizational change theories, evolutionary,

teleological, and cultural, in an attempt to better understand the drivers and processes of

institutional response. This study concludes that the evolutionary and teleological lenses

provided the greatest explanatory power regarding the change process. Several

generalizable observations were made. First, a clearly articulated campus plan and strong

presidential leadership result in more effective adaptation to the required change.

Second, changes that do occur are more likely to be first order change – minor

adjustments and improvements that fit within existing structures. Third, a general

resistance to change on college campuses dictated by outside entities may actually result

in a resistance to a cultural shift. Fourth, additional policy shifts at the state level can

compete for limited campus resources altering how a campus might choose to respond to

the change being examined. Finally, the nature of the change at the state level can create

a zero-sum environment when considering available resources, which inhibits the

diffusion of information among institutions thrust into a competitive versus a cooperative

environment.

INDEX WORDS: Change theory, Financial aid, Higher education, State policy

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DEDICATION

For my family and friends who have sustained me along the way

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CHAPTER 1

INTRODUCTION

This dissertation is an exploration of higher education institutional response to

state policy change. Specifically, it is a case study analysis of how public four-year

institutions in West Virginia reacted to the implementation of a broad state merit-based

financial aid program in 2002. These changes are examined through the lens of higher

education organizational change theory in an attempt to better understand the drivers and

processes of institutional response. This introduction provides an overview of West

Virginia's merit-based Providing Real Opportunities for Maximizing In-State Student

Excellence (PROMISE) Scholarship program; statements of the problem, purpose, and

research questions of the study; and its significance and implications.

Overview of the PROMISE Scholarship Program

In 1999, the West Virginia State Legislature passed legislation creating the

PROMISE Scholarship Program with the passage of Senate Bill 431. However, the

program was not funded until 2001, when a new revenue stream to subsidize the

scholarship and other programs was established through the regulation and taxation of

limited video lottery machines throughout the state (Ness, 2008). The program's

purposes, which are cited in the enabling legislation, are similar to those for other state

merit-aid programs and include the following:

- Improve high school and postsecondary academic achievement through scholarship incentives;

- Promote access to higher education by reducing the costs to students;

- Retain the "best and brightest" students in West Virginia colleges and universities; and

- Create a more educated workforce which, in turn, will lead to greater economic development.

The PROMISE legislation established initial criteria for students to receive the scholarship as a minimum 3.0 GPA in high school core and overall coursework plus additional objective standards, as determined by the PROMISE Board of Control. For the applicants seeking admission for the 2002-03 academic year, the first class to qualify for the scholarship, the Board of Control established a minimum ACT composite score of 21 (or SAT equivalent). The award level was set at full tuition and required fees at public West Virginia institutions and an amount equivalent to the average tuition and fees at the public regional campuses for students attending in-state private non-profit colleges and universities. Students can receive the award for up to eight semesters or until they earn a bachelor's degree. Initially students were no longer eligible after having earned an associate's degree but this stricture was changed. To renew the scholarship, students are required to maintain a 2.75 GPA their first year in college and a 3.0 cumulative average thereafter as well as earn 30 credits per year (WVHEPC, 2001).

During the first four years of PROMISE, a natural increase of program participants and costs occurred with the matriculation of each new freshman class. The program grew from 3,555 scholars in 2002-03 with a total expenditure of $10.2 million to

9,904 students in 2005-06 with a total expenditure of $38.4 million.   The numbers of

students qualifying for and accepting the award, as well as programmatic costs, exceeded

expectations. Early attempts to control costs through capping the dollar amount of the

scholarship failed and legislation was implemented that prohibited reducing the award

level but required the PROMISE Board of Control to keep costs within appropriated

levels. Thus, the academic criteria required to earn the scholarship have been increased

several times by the Board of Control in order to limit the number of participants and rein

in the costs of the program.   Table 1 details how the eligibility criteria have changed over

time as well as an enrollment and expenditure history.

Table 1: PROMISE Scholarship Eligibility, Enrollment, and Expenditure History

Award Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Total Number of WV High School Graduates	17,776	18,040	18,106	17,838	17,345	18,029	17,477
ACT Criteria for PROMISE	21	21	21/19	21/20	21/20	22/20	22/20
Number of PROMISE-eligible Students	4,073	4,392	4,088	3,365	3,315	3,514	3,423
New PROMISE Enrollees	3,555	3,812	3,499	2,943	2,867	3,042	2,925
Percentage of PROMISE-eligible Students Actually Enrolled	87	87	87	86	86	86	85
Percentage of High School Graduates Awarded PROMISE	23	24	23	19	19	19	20
Total Number of PROMISE Recipients	3,555	6,475	8,545	9,904	9,362	9,282	8,993
PROMISE Expenditures in millions	10.2	20.6	30.7	38.4	39.6	40.3	42.3

Source: West Virginia Higher Education Policy Commission, 2012

As is evidenced in the previous table, costs continued to escalate despite smaller numbers of scholars due to the fact that the award amount was tied to the increasing amount of tuition and fees. As a result of this fact, a number of proposals arose to alter PROMISE during the 2008 legislative session. At the request of the state's governor, Joe Manchin III, the West Virginia Higher Education Policy Commission (HEPC) convened a PROMISE Scholarship Ad Hoc Advisory Committee to review issues pertaining to the PROMISE Scholarship Program and make recommendations for its future. That committee, consisting of education leaders from around the state, published its findings in a formal report and among other recommendations, advised that the amount of the scholarship be limited to $4,500 per academic year (WVHEPC, 2009). Senate Bill 373 was passed during the 2009 legislative session. This piece of legislation did decouple the amount of the scholarship from the tuition and fee amount.

Problem

States continue to consider merit aid adoption and to revise their original policies. However, the research is void of any systematic consideration of how specific colleges and universities, public or private, respond to these outside policy shifts that have been demonstrated to impact both the composition of their student body as well as the types and amounts of funding available to them. While state merit aid scholarships have been studied from the vantage point of their effects (Heller & Marin, 2004; Dynarski, 2000) and more recently in regards to the policy process (Ness, 2008), only limited attention has been given to institutional response. While Long (2004) found that institutions generally were making changes to capture some of the newly available state funds, she found more

specifically that public institutions reduced tuition and fee changes. Curs and Dar (2010) also found reductions in tuition and fee charges and concluded that this was done to compete for students. Similarly, Doyle, Delaney, and Naughton (2009) found in an analysis of aid awards at public institutions that institutions tend to act in compliance with state policy changes, for example, implementing their own merit aid programs in response to state merit aid. These quantitative studies of institutional response to state merit aid make conclusions regarding what changes took place at campuses, but they do not explicitly examine what drove those changes and how they happened. Furthermore, no theoretical frameworks have been applied to institutional change in response to the development of state merit aid policies. To address these gaps, this study employs case studies examined through the lens of organizational change theory.

Institutional response falls under the broad study of organizational change which encompasses a robust literature regarding the types and extent of change in organizations and rich theories to explain the processes. However, higher education literature about change processes suffers from the following shortcomings: lack of empirical grounding, generalization of change strategies, and focus on change as isolated, distinct actions verses systemic, concurrent, and interdependent responses (Kezar & Eckel, 2002). While viewing organizational processes systemically in order to improve administration has been advocated (Birnbaum, 1988), conceptual frameworks that show dynamic interactions have only rarely been applied to higher education settings (Cameron, 1991; Smith, 1993; Sporn, 1999; Kezar & Eckel, 2002). Kezar has worked to address these shortcomings through the development of a typology of organizational change theories for higher education. Kezar (2001) analyzed the six main types of organizational change

and their utility for application to higher education: evolutionary, teleological, life cycle, dialectical, social cognition, and cultural. Her premise is that these models are not arbitrary but rather are ideological stating, "The assumptions we make about change are also assumptions about the nature of reality and people" (p. 25). This study utilizes three of these theories to examine the response of postsecondary institutions to a state merit-based scholarship in West Virginia.

I chose the evolutionary, teleological, and cultural models as they seem to have the most explanatory power in regards to the context of change and the campus change responses themselves in the events being studied. The evolutionary and teleological models place great importance on the organization's interaction with the external environment. This component is critical considering that the subject at hand is response to a far-reaching policy shift over which institutions had very little control. The cultural framework allows for analysis that addresses whether a large scale shift in student inputs or financial revenue available to the institution has resulted in a shift in institutional mission or the principles that are mission critical.

Purpose and Research Questions

The purpose of this dissertation is to enhance the understanding of how postsecondary institutions respond to the implementation of broad-based state merit aid policies. These changes will be framed within the context of Kezar's (2001) typology of organizational change theories for higher education. Institutions have witnessed the advent of a new financial revenue stream that is quite different from the traditional funding mechanisms that have been foundational to the development of most institutions.

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Previous research has shown that, generally, there has been a shift in student inputs based on the financial incentives offered by this policy. It is important to understand how institutions change based either on this shift in their student demographics and financial situation or on what they anticipate will happen.

The guiding research questions lead to an understanding of how a broad based merit aid policy has changed the West Virginia higher educational landscape at the institutional level and how these institutions have responded to this policy and its effects.

1. How do three West Virginia colleges and universities respond to the implementation of the PROMISE Scholarship program? For example, how do institutions alter student recruitment and enrollment management, financial aid allocation, institutional finance, and overall mission in response to state merit aid?

2. How do three existing organizational change theories - evolutionary, teleological, and cultural – explain the institutions' organizational response to the advent of the PROMISE program?

To address these questions, I employ a comparative case study design examining the response to the implementation of the PROMISE Scholarship of three public higher education institutions in West Virginia: Concord University, Marshall University, and West Virginia University. The data sources will consist of responses by campus administrators to a semi-structured interview protocol as well as trend data obtained from the West Virginia Higher Education Policy Commission on such indicators as student enrollment and financial aid awards. Each campus's change processes will be assessed individually for fit with the previously identified organizational change theories and a

subsequent cross-case analysis will identify areas of comparison and contrast among the processes at the three institutions.

Significance and Implications

This study builds on previous research addressing postsecondary institutions and organizational change by analyzing how institutions change in response to a far-reaching state financial policy lever over which they have very little control. It demonstrates that individual campus dynamics play a large role and determine the type of organizational change that occurs. These dynamics include the attitude towards the environmental shift, campus resources available to address the shift, and the response of other postsecondary institutions within the state higher education system to the shift. It is my hope that this study will provide a meaningful framework for other types of broad-based state policy shifts to be examined as well as a practical set of campus analyses for other states and their member institutions to discern how these changes might impact them as well as appropriates avenues of response.

The dissertation is organized as follows. In this chapter, I have provided a brief introduction to the West Virginia context, the research problem and questions, and the significance of the study. In chapter two, I review the literature both on merit-based financial aid as well as change theory as it relates to higher education. In chapter three, I describe the research design of the study. Chapters four, five, and six contain the results of the individual case studies of each university. In chapter seven, I provide analysis of the applicability of the change theories to the case studies as well as cross-case analyses of the similarities and differences at the institutions. And in the final chapter, I draw

conclusions about and examine implications of the study as well as make

recommendations for future avenues of research.

CHAPTER 2

LITERATURE REVIEW

In this chapter I review the two bodies of literature which frame my research: the extant research around the policy being studied and the theoretical framework in which institutional response to this policy will be situated. In the first section, I provide an overview of the rise of state merit aid and research on merit aid including impacts on student enrollment and success, policy diffusion, and the smaller body of work on institutional impacts and response. In the theoretical framework section, I review the work on change theory in higher education before setting forth in greater detail Kezar's (2001) typology of organizational change in higher education.

State Merit Aid History and Research

Historically, state governments bear the brunt of the financial burden regarding public higher education within their borders. The federal government provides roughly fifteen percent of the revenue within all colleges and universities (Gladieux and King, 1999; Wellman et al., 2008) and much of this assistance is restricted. The result is that states must find a variety of means to generate the funds needed to operate higher education institutions. One approach has been to raise tuition, which has made higher education less affordable for a larger segment of American families. Compounding this problem is the fact that financial aid awards at the state and federal levels have not kept pace with tuition increases. The average Pell grant has fallen from 50 percent of tuition,

fees, room and board at a public four-year institution in 1987-88 to 31 percent in 2012-13 (College Board, 2013). Nationally between 2002-03 and 2011-12, while the average state-funded financial aid package grew from $467 to $648 (NASSGAP, 2003, 2012), tuition at four-year public institutions increased from $5,213 to $8,655. Furthermore, the nature of this aid has also shifted. Whereas 10 percent of state aid in 1991-92 was based on merit rather than need, this figure had risen to 29 percent by 2010-11 (College Board, 2013). Consequently more families across all income levels must borrow money to pay college costs. As noted in *Losing Ground*, many low-income families are being priced out of attendance and the middle class has begun to resist continuing price increases (NCPPHE, 2002).

Exacerbating the affordability dilemma within higher education is the fact that states can least afford to provide additional assistance when its citizenry is most in need – during economic recessions. Harold Hovey (1999) posits that state spending for higher education will have to increase faster than in other areas just to maintain current services; however, the burgeoning fiscal needs in other critical state arenas such as K-12 education and health services limits what can be appropriated to higher education. This gloomy prognosis has been worsened by recession and, typically, results in larger cuts to higher education which leads to even higher increases in tuition. More recently Doyle and Delaney (2009) examined this volatility in higher education funding both historically as well as current trends. They find evidence supporting Hovey's theory of higher education being the budgetary "balance wheel." Tuition increases, especially during economic downturns, make higher education less affordable for the needy and raise the ire of the voting middle class (Hovey, 1999). This worsening financial landscape has

brought the issue of college access to center stage and drawn attention to the manner in which state governments answer the question "access for whom?"

Since the 1970s, state response to this rising need of increased revenues for higher education has varied. During economic boons, the coffers have been full due to surplus; however, recessions result in significantly fewer dollars since higher education funding is not mandated (Hovey, 1999). Beginning in the first half of the 1990s states began to turn to a new revenue stream to fund higher education needs: merit-based lottery scholarships. This phenomenon began on a broad scale in 1993 with Georgia's Helping Outstanding Pupils Educationally (HOPE) Scholarship. Since the inception of this initiative, many other states, predominately southern, have implemented various forms of merit aid. The National Association of State Student Grant & Aid Programs (NASSGAP) indicates that 26 such state programs existed as of the 2011-12 academic year. In the states comprising the Southern Regional Education Board, a majority provide a broad-based merit program as a component of the state-level financial aid offerings. Of the 26 states nationally with merit programs, the proportion of state aid used in this manner ranges from less than one percent to a high of 100 percent (NASSGAP, 2012). Although each state varies regarding its program's academic requirements (GPA and SAT/ACT) and the financial reward (from $1000 up to full tuition, fees and cash), the result is new found revenue being utilized to provide access to higher education based on a set of criteria centered on merit. These programs have proven to be popular, as evidenced by the annual increase in state spending from 1995 to 2003 for undergraduates receiving merit-aid of 20.7 percent, while investments in need-based aid rose 7.5 percent annually (Heller, 2004). By the 2011-12 academic year, state merit aid comprised 26 percent of all

grant aid offered by states (NASSGAP, 2012). Although some states have focused on merit within need, most do not. Income caps that were initially a component of Georgia's HOPE Scholarship also quickly disappeared creating a system that is need-blind.

State merit based scholarships also impact private colleges. Georgia's HOPE program initially provided $3,000 per academic year for full-time study or $1,500 for part-time study. West Virginia's PROMISE scholarship originally paid recipients at eligible institutions an amount equivalent to tuition and mandatory fees at West Virginia regional public colleges. This figure was $4,750 for the 2012-13 academic year. Many of these private institutions believe that they are still disadvantaged by these policies due to the incentive in many states to attend a public institution by paying for tuition and mandatory fees; however, research indicates that this sector has also reaped awards in student gains as many have decided to remain in-state for their postsecondary education (Dynarski, 2004).

This dissertation lies at the nexus of research on the impact of merit aid programs and institutional response to policy changes. The adoption of merit-based scholarships in a myriad of states and the shift in the proportion of state funding devoted to these programs has prompted much research on the scholarships' effects on students and institutions. Much of the early research on merit aid has focused on who receives state merit aid. Heller and Marin (2002) point to the "negative social consequences" of merit aid since these programs provide funding to many students who already could afford college and planned to attend. Indeed many studies indicate that low-income and minority students are less likely to be eligible for this assistance in Georgia (Cornwell &

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Mustard, 2002, 2004; Dynarski, 2002), Massachusetts (Heller, 2004), New Mexico (Binder & Ganderton, 2004), Tennessee (Ness & Tucker, 2008), and across multiple states (Dynarski, 2004; Heller & Rasmussen, 2002; Ness & Noland, 2007). The high school one attends has also been shown to affect receipt of Georgia's HOPE. As Cornwell and Mustard (2004) note, students who attend a large high school, or one with more African American, Hispanic, or low-income students, are less likely to receive the scholarship. Furthermore, research on the effect of different qualifying criteria has shown that tightening academic standards excludes more minority, low-income, limited English-proficiency, and disabled students from scholarship eligibility (Cornwell & Mustard, 2004; Heller, 2004). The constriction of opportunity is exacerbated by the fact that states choosing to venture down the merit-aid path (West Virginia being an exception) tend to do so overwhelmingly to the detriment of need-based grants (Heller, 2002).

Another body of research has focused on students' high school and college academic achievement, a principal stated purpose of most programs. Research found that Georgia's HOPE contributed to increases in high school grade point averages (GPA) as well as higher SAT scores relative to GPAs. Additionally, Henry & Rubenstein (2002) found that SAT scores for African American test takers gained ground relative to those of their white peers, but Dynarski's (2004) examination of the HOPE program found that racial gaps in college participation increased in Georgia. Early research on Michigan's scholarship program found initially improved scores on the state test used to qualify for the program but plateauing scores soon thereafter (Heller & Rogers, 2003).

More directly related to this study is research on the impact of state merit-aid on increasing access to college, which has the potential to increase enrollment at institutions. Dynarski (2000) used Census data in a difference-in-differences approach to compare enrollment in Georgia with other southern states before and after the implementation of their HOPE scholarship. She found that HOPE raised enrollment in the state for 18 and 19 year olds by 7.0 to 7.9 percent. In another study, Dynarski (2004) confirmed the enrollment increases and found that HOPE reduced student out-migration. She also found five to seven percent enrollment increases in seven southern merit aid programs with the most significant enrollment increases occurring at four-year institutions. Cornwell, Mustard and Sridhar analyzed a similar question using administrative data and found HOPE increased first-year enrollment in the state's colleges by 5.9 percent, with most of this effect at four-year schools. This increase, however, was mostly the result of students being diverted from out-of-state to in-state institutions, not an increase to the overall college-going population (Cornwell, Mustard, & Sridhar, 2006). They also found a 40 point increase in the average SAT scores of incoming first-year students in Georgia as compared with modest growth in comparison states. Although New Mexico's Legislative Lottery Scholarship was found to have increased four-year college enrollments, Binder and Ganderton (2002) found that this increase represented a shift in enrollment patterns from community colleges to four-year institutions, not an increase in overall access.

As merit aid programs have proliferated across states, more recent research has estimated the access/enrollment effects in all implementing states. Toutkoushian and Hillman (2012) utilized a fifty state panel data set in a difference-in-differences analysis

to examine the impact of merit-based aid as well as need-based aid and state appropriations on college access and outmigration. They discovered that increases in both merit-based grants and appropriations led to gains in postsecondary enrollment rates with merit-based grants having a substantially larger effect. Both dollars expended on merit aid and the introduction of broad merit programs increased access. Merit-based grants proved most effective at reducing outmigration for postsecondary education. Fitzpatrick and Jones (2012) used Census data in a similar estimation strategy and also found that merit aid adoption led to an increase in states' postsecondary enrollment. Finally, Zhang and Ness (2010) used Integrated Postsecondary Education Data System enrollment and migration data to test whether state merit aid staunches brain drain, an explicit focus of many of the programs. They affirmed the finding that implementation of merit aid increases first-year enrollment and further found that it raised resident student enrollment and decreased outmigration of college students. Importantly for my research, they found that West Virginia experienced an increase in students staying in-state for college. Specifically, this increase in enrollment occurred at its only research/doctoral institution, West Virginia University (WVU) but not at other four-year institutions. They attribute this to the rigorous eligibility criteria of PROMISE and the increasing selectivity of WVU.

Research on actual enrollment of minorities and low-income students due to merit aid has been mixed. One study on Georgia's HOPE found that the scholarship had a larger positive effect on African American enrollment than for Caucasians (Cornwell, Mustard, & Sridhar, 2006). Yet, another study using different data found that the HOPE scholarship increased inequality in college attendance between African Americans and

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Caucasians (Dynarski, 2000). Singell, Waddell, and Curs (2006) used a panel data set on institutional Pell awards and found that the number of needy (Pell-eligible) students enrolled in college in Georgia increased after HOPE relative to other southern states at both two-year and four-year institutions, but increases were larger at less-selective institutions. *Postsecondary Education Opportunity*, however, reports that more recently Georgia has had the largest increase of any state from 1997 to 2007 in the number of its low-income students leaving the state to attend public colleges (Mortenson, 2008).

The research above gives credence to the theory that merit aid contributes to rising overall enrollment and has a strong influence on where students choose to attend college, i.e., in-state vs. out-of-state, four-year institution vs. two-year institution. These dynamics have critical implications for institutions in terms of enrollment levels as well as the types of students they enroll. Research conducted by Ness and Zhang (forthcoming) demonstrates that the ability to expand the supply of students can shape enrollment and the academic credentials of students at institutions. They examined institutional enrollment, applicants, acceptance rates, yield rates, and student academic qualifications after the implementation of merit aid programs in Florida and Georgia as compared with other southern states and found an increase in enrollment, applications, and yield rates at institutions in both states. Florida, however, increased its acceptance rates resulting in no change in incoming student academic qualifications while Georgia reduced acceptance rates and realized a rise in student academic qualifications.

These institutional responses to merit aid have also been the subject of research. Long (2004) used IPEDS data in a difference in differences design to investigate whether the introduction of the HOPE Scholarship in Georgia led to changes in state

appropriations, tuition and fee charges, room and board charges, institutional aid, and

instructional expenditures. She discovered no change in appropriations to public

institutions; however, she found that public institutions reduced tuition and fees but

raised room and board charges. The effect was larger at institutions with a greater

number of scholarship recipients. She found that private institutions did increase tuition

and that the effect was larger at institutions with more scholarship recipients. While

private institutions did not raise room and board, they did reduce institutional aid by $309

on average.[1] Each of these findings points to institutions acting to capture some of the

merit aid dollars going to students; thus, undermining the goal of the policy and raising

the overall costs on non-recipients. To understand whether institutions tried to enhance

quality in order to attract scholarship recipients she modeled changes in instructional

expenditures. At private institutions, there was no change. At public colleges, there was

a small reduction, but reductions were not larger at institutions with more HOPE

recipients which suggest the phenomenon is not related to HOPE.

Curs and Dar (2010) examined the issue of how institutions across the country

responded to changes in state need- and merit-based aid. They utilized IPEDS data on

institution tuition, aid and net price and discovered that, in response to increases in merit-

based aid, public and private institutions lowered their listed tuition and fees. Their

conclusion was that this action was a necessary response by these institutions in order to

compete for students. This finding was contradictory to their discovery that need-based

aid led to higher net price and a lowering of institutional aid. Curs and Dar refer to

earlier work in which they found that institutions in general reinforce state financial aid

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[1] Long did not model public institutional aid.

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policy preferences through reduced tuition, especially in states with decentralized higher education governance. This reinforcement of state policy is consistent with the findings of Doyle, Delaney, and Naughton (2009) who utilized National Postsecondary Student Aid Survey data to examine the criteria used for awarding aid at public four-year institutions and how these criteria relate to the state's financial aid policy environment in terms of its orientation towards merit or need-based aid. They found that institutions tend to comply with state aid policy so that, for example, states implementing merit aid may see institutions responding with similar merit aid policies. Thus, state merit aid has been shown to have implications at the institution level with regard to tuition, levels of financial aid, and even the orientation of that financial aid.

In contrast to this quantitative work on distribution and effects of merit aid, a different line of research has examined the political processes that result in merit-aid policy adoption and development. The conceptual frameworks employed are often from the political science realm (Ness, 2008) and the lens most often used is the diffusion of policy innovations (Berry & Berry, 2007; Doyle, 2006). Doyle utilized a state-level panel data set in an event history analysis to investigate the determinants of states adopting a large merit-based scholarship and finds that lower educational attainment and college continuation rates are positively related to adoption while lower outmigration of college students is, interestingly, negatively related to adoption. Also interestingly, he found no evidence for diffusion of policies across state borders. Cohen-Vogel, Ingle, Levine, and Spence (2008) explored these same dynamics by interviewing policy actors in implementing states. They found, contrary to Doyle, that the programs diffuse due to competition among neighboring states for students, revenue, and ideas. They also found

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that policy communities and personal contacts among policy makers and agency staff have an impact on adoption through the sharing of information about and assessment of these programs. Ness (2008) explored a later stage in merit aid adoption, the determination of eligibility criteria using qualitative methods. He found in his three state case study analysis that the criteria setting process most closely adhered to the multiple streams policy through its coupling of problems, polices, and politics, the influence of policy entrepreneurs, and the capricious emergence of policy window. Critical to this study, Ness argues for the importance in the examination of merit aid of not only understanding what happened, such as policy adoption, but also how and why these events occurred. He explored at the state level what drives merit aid criteria determination, who is involved, and what explains these phenomena theoretically. The literature reviewed to this point illustrates that when state merit aid is adopted, there are ramifications for institutions in terms of enrollment levels, and in some cases student profile, and that there are changes at the institution level with regard to tuition and financial aid in response to merit aid (Long, 2004; Curs and Dar, 2010; and Doyle et al., 2009). Given these changes, it is important to understand the drivers of these changes, the actors, and how theory might explain them.

Theoretical Framework

This study uses three organizational change theories to guide exploration of how different institutions within the state of West Virginia change in response to a far-reaching higher education state policy: the merit based PROMISE scholarship program. Using rival theories discourages adherence to one interpretation of the data and highlights

aspects of the phenomenon that one theory might overlook. A preponderance of evidence

for one theory may result in dismissal of others in that arena. Conversely, a lack of

evidence for one specific theory points to the need to investigate other theories or further

hone existing theory. Furthermore, use of multiple case studies can elucidate under

which circumstances a particular theory might hold.

The three theoretical models that are being used in this study of organizational

change as a response to implementation of a broad-based merit program are:

evolutionary, teleological, and cultural. The selection of these three models was based on

an examination of Kezar's six frameworks of organizational change. The three selected

models are believed to provide the most explanatory power based on their underlying

assumptions.

Change Theory and Higher Education

Persistent change is a reality of the higher education landscape. Tierney (1998)

observed that changes within United States society have worked to alter the purpose and

funding of higher education. He states, "Higher education is now faced with a new set of

social roles and responsibilities…new and changing demands from both students and

society, limited or declining resources and escalating costs. Together these changes

comprise a fundamentally new set of challenges to the higher education system."

The following section encompasses four key research arenas within change

literature: content, contextual, process, and outcomes. Each of these areas is foundational

when considering change process. A theme that can be observed throughout each

research arena is how external environmental conditions are often an impetus for change.

It is the environmental condition of a new state merit aid program that sets the stage for this study. Two other components that are critical in each of these change areas are the role of culture and the usage and effect of leadership. Each of these elements is critical to the three change frameworks that will be utilized in this study: evolutionary, teleological, and cultural.

Content Research

A facet of change that has garnered great attention is the *content* of the change effort that is utilized. Content research focuses on factors that help determine whether a change effort is successful or unsuccessful and how these factors relate to organizational effectiveness. These initiatives can differ in both size and scope. Some areas that fall within this realm are performance-incentive systems, alternative strategic orientations, and organization structures (Armenakis and Bedeian, 1999).

Beer and Nohria (2000) identified change as falling into one of two categories – change driven to create economic value and change aimed at supporting organizational capabilities. The former tries to reduce costs and can result in disruptive actions such as reorganization or downsizing. One result can be lay-offs or employees feeling that their job security is threatened. On the other hand, changes aimed at bolstering organizational capabilities focus on culture, behavior, and attitudes which are generally arenas that are not as threatening to employees.

The Burke-Litwin (1992) model predicts individual and organizational performance. This approach addresses both organizational conditions (causes) as well as the resultant effects of change. Through this process, the model illuminates the

transformational and transactional dynamics that serve as components of successful change. Transformational factors are those requiring new employee behaviors due to both external and internal environmental pressures. Some examples are leadership, mission, strategy, and culture. Transactional factors address psychological and organizational variables that control and predict the motivational and performance consequences of a work group's climate. Some of these variables include management practices, systems (policies and procedures), structure, and individual skills. The Burke-Litwin study is unique in that it distinguishes between factors that are transactional and transformational. This approach allows for diagnostic feedback to be provided to change agents and managers to better understand which factors within their environment need attention in response to internal and external environmental conditions (Armenakis and Bedeian, 1999).

Vollman's (1996) model of transformation imperative addresses the magnitude of the change process. It is framed as an eight-by-six matrix detailing the many issues that must be considered within a change process. The rows include eight items: 1) strategic intent; 2) competencies; 3) processes; 4) resources; 5) outputs; 6) strategic responses; 7) challenges; and 8) learning capacity. Three of the columns address organizational dimensions while the other three address organizational resources. The dimensions and resources are: 1) culture; 2) configuration; 3) coordination; 4) people; 5) information; and 6) technology. This matrix is intended to help organizations assess how comprehensive the proposed change truly is. These procedures assist in preventing the underestimation of what will be required for successful change.

Content research has great import for this study in that it focuses attention on the outcome of the change process and whether the change efforts were successful. In order to evaluate whether an institution was successful, one has to first identify their objectives and measures of success. For example, if an institution's goal was to grow, did the administration achieve this objective? How did they assess success?

My research study examines institutional response to a major change within an environmental condition - the infusion of a state-level merit aid scholarship program. Students were given the autonomy to decide where these state resources will be allocated based on their enrollment decisions. Thus, this policy has the potential to significantly impact enrollment and revenue based on these student decisions. The ability to determine the effectiveness of attempted change allows the institution to better assess its strategy and apply these lessons to future decisions.

Contextual Research

A second key area of change is the arena of *contextual* factors that impact change. This area tends to focus on conditions existing in an organization's external and internal environments. External factors include governmental regulations, technological advances, and forces that shape the marketplace competition. Internal factors include the degree of specialization required by current technology, the level of organizational slack, and experiences with previous change (Armenakis and Bedeian, 1999).

Meyer, Brooks, and Goes (1990) examined industry- and organizational-level change that took place in hospitals from the 1960s through the 1980s. Changes in the early years were largely evolutionary due to a stable external environment. Hospitals

grew by adding services. These organizations began to differentiate themselves in the 1970s to justify expansion because of the rising concern over healthcare costs. Cost concerns led to numerous changes in the health care industry during the 1980s as the government tried to regulate costs. Their overview provides other industries a glimpse into how internal and external components of differing competitive environments impact successful adaptation.

Kelly and Amburgey (1991) studied organizational response within the airline industry following its deregulation in 1978. This change affected the very nature of the industry (second-order change) as carriers could enter and exit markets as they saw fit. Based on their observations, they developed five conclusions that address the impact of context on organizational response: 1) Environmental change does not always increase the likelihood of strategic reorientation; 2) Older organizations are less likely than younger ones to enact change in their product-market strategy; 3) Organizational size does not necessarily determine whether an organization is more or less responsive to change; 4) Organizations are more likely to repeat changes that they have already experienced; and 5) Changes in product-market strategy do not necessarily contribute to organizational failure.

Haveman (1992) examined legislative and technological changes on the California savings and loan industry. Some of the observed effects of these environmental changes were: 1) the lowering of barriers to entry between industries in the financial service sector; 2) an increase in the complexity of financial products offerings such as adjustable rate mortgages and mutual funds; and 3) an increase in the informational processing speed. An overarching conclusion that he reached was that a

shift in organizational structures and activities in response to dramatic environmental shifts results in increased short-term financial performance as well as increased chances for long-term survival. Also, the more closely related new processes are to the base domain, the greater the likelihood of a beneficial impact on net worth and net income.

Fox-Wolgramm, Boal, and Hunt's (1998) examination of the impact of the Community Re-Investment Act (CRA) on two Texas banks led them to the conclusion that organizations will resist change that is inconsistent with their mission and identity. They also posited that sustainable change must be consistent with an organization's current identity or envisioned identity and image. Their key finding is that an organization's image and identity are more important in sustaining change than success.

Damanpour's (1991) meta-analysis focused on six internal contextual variables (specialization, professionalism, managerial attitude towards change, managerial tenure, technical knowledge resources, and slack resources), five content variables (functional differentiation, formalization, centralization, administrative intensity, and vertical differentiation), and two process variables (internal and external communications). These variables were expected to be either positively or negatively related to change. Damanpour concluded that successful change is more dependent on congruency of fit between content, context, and process than upon the nature of an intended change.

Addressing the arena of organizational responsiveness to change in the midst of competitive pressures, Gresov, Haveman, and Oliva (1993) performed a quantitative study modeling the effects of inertia. The responsiveness variable was classified as the aggressiveness of a group's marketplace strategy. The study contained fourteen design variables including mission, technology, size, structure complexity, and the perception of

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change. The design variables are described as antecedents to change; therefore, how these variables exert themselves helps determine the extent to which inertia exists. They posit that the change process employed is vital in assessing an organization's responsiveness to competitive pressures.

Huff, Huff, and Thomas (1992) developed a mathematical model to address how organizations renew their strategic direction. Their underlying premise is that strategic renewal is evolutionary and comes about through the influence of inertia (commitment of current strategy) and stressors signaling a need for change. Their model makes two noteworthy observations. First, past organizational change experiences matter when considering subsequent changes. Second, the beginning levels of stress and inertia have an effect on the length of time an organization persists with its current strategy.

Taken together, the contextual research has important implications for this study. It frames how external factors including government regulations and marketplace competition shape change. This study posits a change in state policy as an instigator of change and hypothesizes that competition for students and resources is the driver of responding to the policy.   The contextual research also is important as it delineates how organization internal factors such as age, size, complexity, specialization, identity, leadership tenure and attitude toward change, and previous change history all shape current change processes. While the literature here explores these factors in other organizational contexts, they are easily translated to the higher education context.

Process Research

Process research refers to the actions taken during the enactment of an intended change. This area is rooted in the work of Lewin (1947) who conceptualized change as going through successive phases labelled as unfreezing, moving, and freezing. These actions are examined at the external environment, firm, and individual levels. The environmental level is largely impacted by federal, state, and local agencies who partake in a plethora of activities that impact organizations. The impact of these changes requires that firms respond accordingly. A large component of the change response is altering employees' behavior so that the desired outcomes can be achieved (Armenias and Bedeian, 1999).

Judson's (1991) model of change implementation contains five phases: 1) analyzing and planning the change; 2) communicating the change; 3) gaining acceptance of new behaviors; 4) changing from the status quo to a desired state; and 5) consolidating and institutionalizing the new state. He addresses methods for minimizing resistance including reward programs, bargaining and persuasion, and alternative media. Building on this line of research, Kotter's (1995) work recommends eight steps for change agents to follow in implementing fundamental changes: 1) Establish a sense of urgency by connecting environmental external realities to potential opportunities and crises; 2) Form a coalition of individuals who favor the need for change and can rally others; 3) Create a vision to achieve the change; 4) Communicate the vision through many different channels of communication; 5) Empower others to act by changing structures, systems, and policies in ways to facilitate implementation; 6) Plan for and create short-term wins by publicizing successes; 7) Consolidate improvements and change other structures,

policies, and procedures that are not consistent with the change vision; and 8) Institutionalize new approaches by publicizing the connection between the change agent and the organizational success.

Galpin (1996) put forward another effort at providing guidelines for implementing successful change. They are described as nine "wedges" that form a wheel. Galpin noted that one must understand an organization's culture as it is reflected in its rules and policies, customs and norms, ceremonies and events, and rewards and recognitions. The wheel consists of the following wedges: 1) establishing the need to change; 2) developing and disseminating the need for a planned change; 3) analyzing the current situation; 4) generating recommendations; 5) detailing the recommendations; 6) testing the recommendations; 7) preparing the recommendations for rollout; 8) rolling out the recommendations; and 9) measuring, reinforcing, and refining the change.

Armenakis et al. (1999) proposed two models that incorporate both Lewin's (1947) research and Bandura's (1986) social learning theory. The first model attempts to create readiness to change so that resistance will be minimized. The second model attempts to facilitate and institutionalize the desired change. The same five components support both models: 1) discrepancy (we need to change); 2) self-efficacy (we have the capability for a successful change); 3) personal valence (it is in our best interest to change); 4) principal support (those affected are behind the change); and 5) appropriateness (the desired change is right for the organization). These principles aim to transform those impacted by change into change agents.

Isabella (1990) developed a model regarding how organizational members interpret events as the change process takes place. The results suggest that members

make sense of the key events that transpire within the change process as unfolding in four stages. The first stage is *anticipation* which occurs when rumors and pieces of information are construed into reality. The second stage is *confirmation* which involves placing the events into a conventional framework to establish associations that have worked in the past. *Culmination* is derived from comparing conditions before and after an event at which time decision makers decide whether to include new information or to discard information that they deem invalid. *Aftermath* is the final stage, which occurs when decision makers assess the consequences of change. The importance of this study is its utility in helping organizational leaders understand resistance to change because it not only identifies the construed reality of each interpretive stage but also addresses the processes that affect change targets between change stages.

Jaffe, Scott, and Tobe (1994) also developed four-stage model addressing how organizations make sense of events as change unfolds. The first stage is *denial* as employees do not want to accept that change is necessary or will occur. Stage two is *resistance* as individuals try to convince change makers that the proposed change is inappropriate. They can also try to prevent the change by withholding participation or trying to postpone implementation. Stage three is *exploration* which gives rise to new behaviors as the effectiveness of achieving new results is tested. Finally, stage four is the *commitment* that takes place as team members embrace the change.

The process research around organizational change informs this study in providing a variety of steps and activities that a researcher can expect to encounter while exploring the implementation of change. These range from creating a vision, planning, communicating, building a coalition, and enabling others to carry out change. While

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some of the research posits the steps normatively as best practices in effecting change, the goal of this dissertation is not to evaluate the success of these colleges' change processes, but rather to utilize evidence of these steps as evidence of efforts at institutional response to the implementation of state merit aid.

Outcomes Research

The objective of change implementation is to create new behaviors leading to the desired outcome. The previous research studies examined have focused on the success or failure of change in terms of profitability or market share or the process necessary to gauge employee response to change. The outcomes research examined in this section attempts to describe organizational change using affective and behavioral criteria. Being able to assess employee responses can help organizations discern the likelihood of employees taking on the types of behaviors needed in order to enact the necessary change.

Clarke, Ellett, Bateman, and Rugutt (1996) performed a study based on the receptivity or resistance to change based on data from 799 faculty members and 79 academic heads at 53 Carnegie Research I Universities. They conclude that individuals often resist renewal even when they realize that a need is there. The authors posit that this outcome often happens when individuals believe that their self-interests are being threatened. Thus, the resistance or receptivity to change is largely dependent upon the perceived effect. The ultimate conclusion is that individuals are more likely to focus on their own well-being and will consider the overall good of the organization only where it intersects with their needs and goals.

Becker (1992), Becker et al. (1996), and Meyer and Allen (1997) all performed studies that resulted in arguments for utilizing loyalty as a variable for assessing the impact of organizational change on employee-organization relations. The following three variables are argued to influence the psychological attachment employees have towards an organization: 1) *compliance commitment* (an employee's willingness to comply with rules, policies, and reward structures; 2) *identification commitment* (the attachment one feels in being associated with a particular organization); and 3) *internalization commitment* (the institutionalization of values inherent in a change). These variables, in turn, impact both the extent to which an employee will perform his or her job and experience fluctuations in characteristics related to employee turnover.

Dean, Brandes, and Dharwadkar (1998) reviewed the research pertaining to employee cynicism and concluded that it is based on specific organizational experiences and can change over time. The authors observe that while cynicism is related to other constructs it is an independent concept. Similarly, Reichers, Wanous, and Austin (1998) argue that cynicism is important to assess because change efforts will fail if employees lose faith in senior management as change agents. Factors contributing to cynicism include previous failed change and the failure to share information regarding intended change.

Schabracq and Cooper (1998) observe that individuals form automatic responses to their work and life events. These set responses provide a sense of control when meeting recurring needs. These *situated roles* reduce uncertainty; however, the responses often fail the employee when change is enacted. The authors posit that more dramatic changes take employees out of their comfort zone and increase the likelihood of

uncertainty. This uncertainty increases stress and must be addressed in order to alleviate resistance to change.

The outcomes research described here explores how employee attributes shape response to organizational change, which in turn impacts the successful implementation of change. This line of work is important to the analysis of how the colleges in this study responded to the new state merit aid program. This applies on two levels as public college personnel are employees of both the institution and also of the state. High-level administrators and decision makers at colleges will be responding to the policy change not only based on perceptions about changes in resources and student inputs discussed earlier, but also based on their own self-interest, loyalty to the institution and state, cynicism about previous change, and disruption of their situated roles. These factors may emerge as playing a role in whether and how institutions change in response to the policy change. On another level, as institution high-level administrators implement changes, affected staff will also be responding to change based on those same factors. These employee attributes will likely be seen to shape the success of that change as well as how they represent those change processes to researchers.

Choice and Determinism in Organizational Change

A key dynamic when examining change is the role that choice and determinism play in the organizational change process. Choice indicates that an organization is largely unfettered in choosing its own course of change, while determinism conveys that there are environmental boundaries regarding how an organization can or must change.

The traditional assumption has been that these categories are mutually exclusive; however, more recent research suggests that there is an interaction between the two.

Astley and Van de Ven (1983) developed a dimension depicting a continuum that ranged from determinism to volunteerism regarding organizational change. While the categories are useful for analysis, they clearly place responses to change in a specific category. These types of approaches are based on an assumption that there is a binary distinction between choice and determinism.

During this same time frame other researchers were beginning to consider the fact that there might be an interdependence between these two variables. Weick (1979) argues that what is critical is an ability to think in circles. This viewpoint allows one to investigate interaction and causation between two differing sets of variables. Weick observed that the true issue is how organizational choice is both a cause and consequence of environmental influence.

Hrebiniak and Joyce (1985) develop an interactive view of the change process in organizations. They argue that choice and determinism are independent variables whose interaction results in four typologies: 1) natural selection with minimal choice and adaptation; 2) differentiation with high choice and high environmental determinism and adaptation; 3) strategic choice with maximum choice and adaptation by design; and 4) undifferentiated choice with incremental choice and adaptation by chance. These typologies, in turn, influence the strategic options that are available. Areas that must be considered include political behavior, the search activities utilized, and the decision emphasis on means or ends.

These explorations of the relative roles of choice and determinism can be seen as intersecting with the other four types of research outlined (content, contextual, process, and outcomes) as they relate to the current study. Regarding content research, the goal itself as well as the process chosen to implement the change can be greatly impacted by whether the process was one of choice or largely determined based on external factors. This external influence can also alter what is measured and what findings are considered successful. The contextual research points to both external and internal factors shaping change but there is room for whether those factors determine the course of change or whether they simply shape the choices institutions make about their course of change. The process literature examined leans toward treating the phases and steps of change as proactively instigated by change agents, but it may be evident in this research that there is constrained choice in effecting those steps. Finally, the literature around the influence of employee attributes on change outcomes varies in its implications for the degree of choice organizations have in implementing change but sets forth a number of factors, which if not recognized and managed, could become deterministic. In the current study, acknowledging this tension and interplay between choice and constraint provides yet another lens to explain differences in how the different institutions, with some shared and some unique constraints, respond to the new state policy.

Typology of Organizational Change

Given the myriad of change theories, it is helpful to have a means of giving order to them, a sort of organizational schema or typology for organizational change theory. Kezar (2001) identifies six main categories of change theories in general and articulates

how these theories apply to organizational change within institutions of higher education. Her categories are: evolutionary, teleological, life cycle, dialectical, social cognition, and cultural. Each category is undergirded by its own set of assumptions that address why change occurs. The evolutionary theories assert that institutions evolve over time in response to external circumstances, situational variables and the environment (Morgan, 1986). Teleological theories are similar to evolutionary ones in that they assume that change is rational and linear but emphasize more that this change occurs as a result of the agency of leaders who see need for change (Carnall, 1995; Carr, Hard, & Trahant, 1996). Life-cycle models imagine change as a natural part of organizational development over time akin to the human development (Levy & Merry, 1986 in Kezar). The dialectical or political models see change resulting from battles between opposing viewpoints, bargaining, persuasion, influence, social movements, etc. (Morgan, 1986; Bolman & Deal, 1991). Social-cognition models see change as the organizational parallel of natural human learning processes (Kezar, 2001). And cultural models emphasize the slow, natural change in culture as organizations respond to the environment with shifts in beliefs and values (Morgan, 1986; Schein, 1985).

While each of Kezar's six categorizations of change have something to offer regarding the campus change processes in response to PROMISE, three were ultimately utilized within this dissertation. Their merit is described below in fuller detail. The three not selected were the life cycle, dialectical, and social cognition change theories. A key reason for not including the life cycle is its emphasis on the differentiation of response between a mature and young company or industry. The higher education institutions under examination are all well established and would not provide an environment for this

contrast. The dialectical, or political, model has been researched within higher education (Hearn, 1996; Sporn, 1998; Ness, 2008) demonstrating the importance of interest groups, influence strategies, and coalition building on change. Ness (2008) examined the political process as it pertained to the formation and passage of legislation pertaining to the PROMISE scholarship. One critique of this model is its inability to provide explanatory power for change on smaller campuses (Kezar, 2001). I was aware of the import of this political framework in regards to the legislative process leading to PROMISE but did not anticipate as much applicability when addressing specific change processes on each campus. The teleological model, which I utilize, presents the latitude needed to include coalition building and influences often associated with a political context. The final model not chosen was social cognition. It is linked more closely to human learning processes and did not appear to present a compelling fit for the examination of the institutional response to PROMISE.

Evolutionary Model

The evolutionary model posits that change is largely dependent on the external environment and circumstances that organizations must face (Morgan, 1986). The human component only plays a minor role in the change process as the nature and direction of the change has already been determined by environmental factors (Hrebiniak and Joyce, 1985). In this model, change is prescribed and can rarely be planned for or directed in an intentional manner. The result is *homeostasis* between the organization and its environment (Sporn, 1999). The evolutionary model is appropriate for this study because the PROMISE program represents an environmental change, here a state-level

policy change, which has been shown to shift student inputs between types of institutions

and sectors (Dynarski, 2000) and to which institutions must respond. Although higher

education is classified as an open system that continuously interacts with its environment,

it can be affected by environmental factors that mandate change such as the decision of

an accrediting agency, a governing board or a state legislature. In this study, institutions

had no formal role within the policy formation process leading to a new state merit aid

program; however, they are subjected to the potential outcomes of gaining or losing

better academically prepared students. This student migration occurs as students choose

where to take this portable aid that pays for full tuition and mandatory fees at any in-state

public institution (those students choosing to attend private colleges get a scholarship in

the amount of the highest priced in-state public institution for that year). It is a

worthwhile endeavor to try to discern whether institutions, particularly net losers of

students, attempt to regain homeostasis and what shape does this process take given the

environmental constraints. Tuition differentials at public institutions no longer serve as a

barrier to economically disadvantaged students as this scholarship mitigates that factor.

This approach is distinct from that of Pfeffer and Salancik (2003) who stress the

interplay of this external environment and the role of the human element in an

organizational response. Organizations are faced with the choice of attempting to alter

their environment or to re-shape their structures in order to adjust to this new external

reality. Pfeffer and Salancik's approach highlights the intentionality of the role that is

played by organizations in response to an ever-changing environment.

An example of a possible evolutionary response is how a college or university

might choose to use its available state tuition waivers, which account for a maximum of

five percent of its student enrollment in West Virginia. Institutions cannot use these waivers to supplement PROMISE scholars because they cannot exceed full tuition and fees; thus, they might choose to focus these funds on well-prepared out-of-state students who are academically prepared but unable to afford the higher tuition and fees. This strategy would attempt to ameliorate the loss of well-prepared in-state students by replacing them with this new source of students. The goal would not be to necessarily improve institutional profile but to not let it slip.

The evolutionary model ties into the other strands of change research presented here. It places great importance on external environment like the contextual line of inquiry and also the internal context of an institution which frames how a specific change in the environment affects it and also how it tries to regain homeostasis. The outcomes line of inquiry also is intertwined as changes undertaken to regain homeostasis will be more or less successful depending on the important personnel characteristics this literature describes. Also, using the content lens to examine change is useful in that measuring the magnitude of change is dependent on the institutional approach to change, and this approach might differ when the impetus for the change is external instead of organizationally motivated. Finally, the literature framing the tension between choice and determinism in change is particularly salient as the evolutionary model depicts a constrained world in which institutions must respond to environmental change and essentially only to regain their original position. This perspective is not difficult to imagine structuring very limited choices provided to institutions as they face a policy shift.

Teleological Model

The teleological model is similar to the previous model in that the environment plays a large role in determining the need for change; however, this framework gives more emphasis to the human element within the change process. Change is rational and linear as with the evolutionary model, but managers and leaders actively and intentionally respond to the need for change (Carnall, 1995). This view of rationality, which will be utilized throughout this dissertation, takes on a more cognitive approach when compared to the rationality posited by Wildavsky (1987) who extends this topic beyond that of an instrumental concept. Wildavsky argues for the joining of preference formation and implementation which draws together elements of rational choice and cultural theory. Key aspects within this change process include planning, assessment, scanning, strategy, and restructuring (Brill and Worth, 1997; Huber and Glick, 1993). This framework provides an appropriate lens of analysis for this study because, while this institutional response is predicated on an event within the institution's external environment, it presents an opportunity to examine the intercession of a strong leader or leadership team as the organization responds to data that it has purposively collected and assessed. A key factor to examine is the impact of this human intervention into the dynamics of the external event that has occurred. Do these actions seem beneficial or do they create more confusion as some evolutionary studies imply (Levy and Merry, 1986)?

An example of an institution that demonstrates a teleological response would be a president or an administration that relies on dashboard indicators to assist in the determination of strategy. West Virginia shares its border with six states. An institution near one of these borders might realize through its indicators that applications from area

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students are down or that there is a lower acceptance rate from the local in-state student base on which it relies. One answer might be to more actively recruit students from counties in a neighboring state through a variety of approaches which might include tuition waivers, metro tuition rates, or providing an increased recruitment presence in these communities. A president might even decide to engage these bordering communities to discuss parallel concerns of economic development and how the university and town might collaborate. The difference from the evolutionary approach is evidence of an active leadership response.

To bind Kezar's type here to lenses set forth earlier in this literature review, the teleological model, like the evolutionary model, has much in common with the contextual line of research. Both posit an influence of external context; but the teleological model unlike the evolutionary model also emphasizes internal context like strong leadership that is favorably predisposed to effecting change. It also links with elements of the content model in that the role of the human element in the change process could be demonstrated in how success is determined and measured. The teleological model also fits well with the process arena of change inquiry in emphasizing the steps of planning, assessment, and strategy, though the teleological model pays less attention to some of the processes identified in that literature that deal more with cultural aspects of change such as communicating the need for and plans for change, forming coalitions for change, etc. Also relevant here is the literature surrounding the tension between choice and determinism in organizational change. The teleological model lies far down the spectrum toward the existence of choice in change through organizations responding rationally to the external environment to achieve a goal, the interpretation of the salient aspects of the

environment through data analysis, and individual agents exercising a great deal of control in directing that change.

Cultural Model

The third model assessed, cultural, presents a differing approach to the other two models that stress norms and rules. The irrationality, fluidity, and complexity of organizations are emphasized (Kezar, 2001) in this approach. The assumption is that change is always occurring in response to the external environment which leads to a constant, slow-moving change process (Morgan, 1986). As this change process takes place, a potential outcome is that the values, beliefs, and rituals of the organization begin to shift (Schein, 1985). This shift can be purposefully moving in a desired direction or based on an understanding of what lies on the path ahead and adjusting to this reality.

The cultural lens appears to be a good fit when examining change in institutions of higher education due to the nature of these institutions – they are unique in organizational structure and values. The personnel at these institutions both create and replicate this structure and these particular beliefs. Faculty members and administrators tend to identify strongly with these values and replicate them as they serve at different institutions. Kezar (2001) notes, "Because there are no bottom-line measures for examining performance in higher education, image and identification are extremely important in understanding if change is occurring and how it occurs."

One could foresee this model applying to institutions that are either net-gainers or net-losers in regards to enrollment as PROMISE recipients elect where to utilize their scholarship. Those institutions that acquire a critical mass of better prepared students

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could begin to notice a rise in academic profile in institutional rankings due to an increase in SAT/ACT scores of incoming freshmen as well as high school grade point averages. This demographic shift could result in an altered mission or set of processes as the organization tries to incorporate this newly found status into its values, beliefs, and rituals. Conversely, net-losers of these better prepared students may choose to reposition themselves as an access or service institution. Greater emphasis at a regional college might be placed upon service to the community, first-generation attendance, or remedial offerings in an attempt to create a new niche as better prepared students choose to attend more selective institutions. The literature stresses the long-term and slow-moving nature of this process, so it is likely that certain elements of transformation might be evident but unlikely that a complete cultural shift will have occurred since the advent of the PROMISE program in 2002.

The importance of culture is evidenced to a certain extent in all of the earlier discussed strands of change research. Content research often seeks to gauge the reaction of employees who are impacted by the change being implemented, so their perception regarding its effect on the change on their institutional structure and values is important. The contextual research strand emphasizes the internal environment of mission and identity. Fox-Wolgramm, Boal, and Hunt (1998) could argue that a higher education institution's response to a policy change would only be sustainable if consistent with the institution's current identity or an envisioned one. Similarly, in the process literature, the documented or noted stages of organizational change either directly or indirectly address the need for understanding the norms of an organization as change is undertaken and taking steps accommodate and work within that culture. The outcomes research

emphasizes the role of employee self-interest and attitudes in response to change but intersects with the cultural lens where it focuses on the importance of loyalty and commitment of employees to the organization. Finally, with regard to the choice and determinism debate, the cultural model straddles the divide by highlighting the fluidity and irrationality of institutions in responding to change but allowing for purposeful changes in identity in response to external constraints.

CHAPTER 3

RESEARCH DESIGN

This research study utilizes a case study design to answer the primary research questions outlined in Chapter 1 – how do West Virginia colleges respond to the implementation of the PROMISE scholarship program and how does organizational change theory inform this process. Case studies are appropriate when the purpose of the study is to answer the questions "how" and "why" (Yin, 2003; Creswell, 1998). Understanding "how" these colleges change in response to PROMISE and "why" these changes occur is best achieved through a case study design, which allows for more in-depth analysis within a phenomenon. Although an experimental research design also seeks to answer these same types of research questions, this research project does not require control of behavioral events that is a necessary component within an experimental approach. Instead, this study seeks to understand processes rather than make predictions. This section outlines the research strategy, sample selection, data collection, analytical process, and limitations of the study.

Research Strategy

This study utilizes a comparative case study method in order to give appropriate consideration to the context of the poorly understood institutional change process (Kezar, 2001). The inclusion of multiple cases increases the transferability of findings if these findings are consistent (Lincoln & Gulba, 1985; Meriam, 2009). They also can provide

contextual explanations if the case findings differ. These differences create an opportunity to expand theory development by providing alternate conditions under which varying theories may be more applicable (Sabatier, 1999). Given these parameters, this study is best suited to utilize multiple case studies in its consideration of how various West Virginia colleges and universities responded to a single policy innovation – the creation of West Virginia's merit based PROMISE scholarship. Multiple case studies allows for the opportunity to examine similarities and differences in realignment strategies.

Sample Selection

This dissertation utilizes Yin's (2003) framework of purposive sampling in order to intentionally identify several case studies that are different from one another and/or provide a unique perspective regarding the organizational change process. This replication strategy is utilized to strengthen the findings by performing multiple experiments which provide an opportunity to support the development of theory if similar findings are discovered. I developed a set of three criteria to determine the case studies for this examination. These criteria were: (1) the proportion of PROMISE awardees within each higher education sector, (2) the availability of comprehensive institutional data pre- and post-PROMISE implementation, and (3) the institutional proportion of awardees within each sector while also ensuring geographic and institutional variability in the final selection.

Utilizing these three criteria, I determined that Concord University, Marshall University, and West Virginia University would serve as the three case studies for this

research study. In 2001, West Virginia had 10 public four-year institutions, five public

two-year institutions, and 10 private non-profit institutions eligible to receive this

financial assistance through students eligible for the PROMISE scholarship. Utilizing the

aforementioned criteria eliminated both the two-year public sector and four-year private

sector from consideration. Two-year public institutions did not meet the first standard

regarding the proportion of awards garnered by their sector. In 2002, these institutions

only represented 1.63% of all awards. This figure remained basically unchanged four

years later with 1.64% of awards going to students attending two-year public colleges.

Table 2 below provides the proportions for each sector.

Table 2: Institutional Sector Proportion of PROMISE Scholars

College Sector	2002	2004	2006
Private, Non-Profit	12.58%	11.01%	10.16%
Two-Year Public	1.63%	1.22%	1.64%
Four-Year Public	85.79%	87.66%	88.05%

The four-year private, non-profit sector was eliminated from consideration due to

concerns regarding data availability. An inability to obtain student-level data as well as

data addressing the usage of institutional scholarships prevented the type of overarching

analysis needed to ultimately triangulate campus interviews, archival records and campus

data in a meaningful way. The University of Charleston, a four-year, private university,

emerged as a possible candidate for analysis at first glance. Their president, Dr. Edward

Welch, was a vocal opponent of the program fearing that it would drive students to a

more affordable public sector since PROMISE awards covered full tuition and fees

within these institutions. Although President Welch opposed the program, he did enact

targeted financial discounting in an effort to maintain his share of PROMISE-eligible students once the program was passed and funded. Unfortunately, the inability to examine the data and compare it to other private institutions prevented their inclusion as well as similar institutions.

Table 3: Institutional Proportion of PROMISE Recipients

Institutional Proportion of PROMISE Recipients			
	% of Overall		
	2002	**2004**	**2006**
PRIVATE SECTOR TOTAL	**12.58%**	**11.01%**	**10.16%**
2-YEAR PUBLIC SECTOR TOTAL	**1.63%**	**1.22%**	**1.64%**
BLUEFIELD STATE COLLEGE	1.43%	1.40%	0.94%
CONCORD UNIVERSITY	4.95%	4.73%	4.53%
FAIRMONT STATE UNIVERSITY	5.89%	6.42%	6.13%
GLENVILLE STATE COLLEGE	1.83%	1.57%	1.29%
MARSHALL UNIVERSITY	20.25%	20.18%	18.30%
POTOMAC STATE COLLEGE OF WVU	1.92%	1.23%	1.03%
SHEPHERD UNIVERSITY	3.29%	3.48%	3.74%
WEST LIBERTY STATE COLLEGE	2.92%	2.55%	2.41%
WEST VIRGINIA STATE UNIVERSITY	2.20%	1.80%	1.51%
WEST VIRGINIA UNIVERSITY	36.43%	40.52%	44.88%
WVU AT PARKERSBURG	1.69%	1.47%	1.55%
WVU INSTITUTE OF TECHNOLOGY	3.00%	2.31%	1.75%
4-YEAR PUBLIC SECTOR TOTAL	**85.79%**	**87.66%**	**88.05%**

The two universities that immediately stand out when examining the four-year public sector are Marshall University and West Virginia University. Marshall garnered 23.60 percent of four-year public sector awards in 2002 and 20.25 percent of all awards

in West Virginia. WVU received a much larger proportion of 42.74 percent of sector awards in 2002 and 36.43 percent statewide. Table 3 provides an overview of each award proportion within the four-year public sector as well as sector totals for two-year public and private non-profit institutions. These numbers alone make both Marshall and WVU likely candidates for inclusion since they potentially have much to gain and lose as each institution developed campus level policy that would maximize the funding being provided by the state.

The requisite data was also available for Marshall and WVU as well as the other institutions within the four-year public sector fulfilling the third criteria. The descriptive data indicates that there were significant shifts in the usage of academic state waivers, which can only be used for tuition, being utilized for in-state students. Overall, the percentage of state waivers allocated to in-state students dropped from 57 percent in 2001 to 15 percent in 2002. While this source of aid is referred to as a state waiver since it is the state legislature that sets the policies regarding the percentages that can be utilized by institutions, this assistance comes from institution funds, serves as tuition discounting, and is expended by campuses to attract a variety of specific students based on academic ability, athletic ability, financial need, or other desired characteristics In 2002, state code allowed institutions to provide waivers of any type to a maximum of five percent of their enrollment. This proportion is derived from the previous fall semester's full-time equivalent enrollment (WV Code, 2002). An additional provision allowed five percent more for non-athletic waivers resulting in a total of 10 percent. In addition to this five percent, there are specific waiver categories mandated by state law including high school graduates in foster care, Purple Heart and Medal of Honor recipients, children and

spouses of armed services personnel killed in action. The numbers within these

categories are generally not large, but the waiver is required.

The other form of aid examined was campus grant aid. Academic state waivers

and academic institutional grants are generally similar in purpose since each award serves

as a tuition discount in order to attract more academically proficient students. However,

one key difference is that state waivers could not be added to a PROMISE scholarship in

2002, because these scholarships covered full tuition and fees. While most institutional

grants were also in the form of tuition discounting, this parameter was not a requirement

as the institution could use real dollars instead of discounting, thus giving a campus the

opportunity to stack these grants in addition to a PROMISE scholarship within a financial

aid package. This strategy might provide even greater incentive for a qualified student to

attend their institution. Research indicates that institutions have increasingly used tuition

discounting to recruit students. While these trends are more pronounced in the private

sector, public institutions, especially larger flagships, have also adopted this approach in

response to market forces (Baum and Lapovsky, 2006). Figure 1 depicts the abrupt drop

in state academic waiver funding being allocated to in-state students. The dollar amounts

for in-state and out-of-state students parallel one another through the 2001-02 academic

year; however, they diverge the following year with state academic waiver funds going

to out-of-state students accounting for roughly 90 percent of the total allocations during

the 2004-05 academic year.

Figure 1: State Academic Waiver Fund Allocation by Student Residency
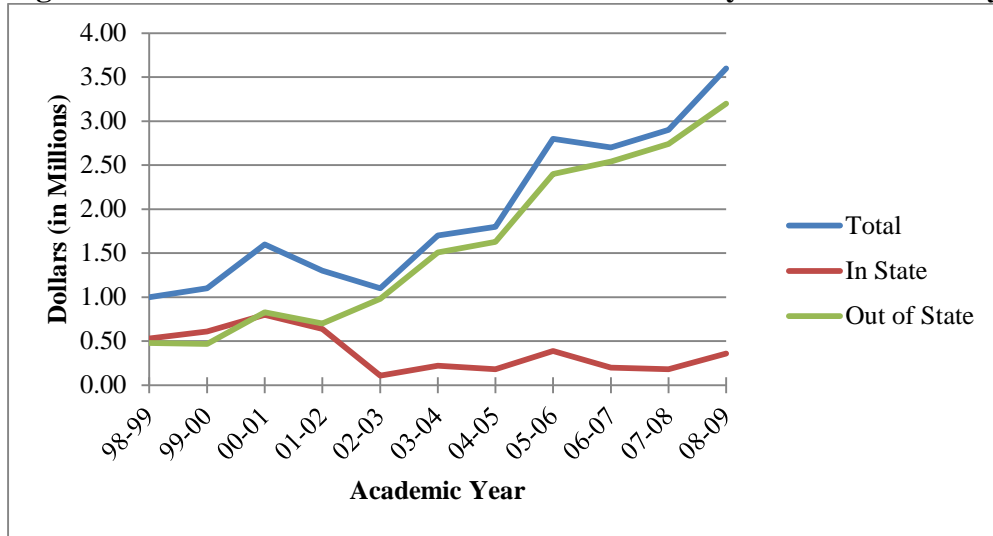
The next step taken was to examine specific campus level shifts in spending to discern how similar these patterns are to state trends. As Table 4 below indicates, almost all campuses mirror this steep drop in providing funds from state academic waivers to in-state students from the 2001 to 2002 academic years.

Table 4: Proportion of State Academic Waiver Funds Provided to In-State Students

Institution	1999	2000	2001	2002	2003	2004
Bluefield	26%	35%	36%	0%	48%	29%
Concord	38%	38%	49%	5%	0%	29%
Fairmont	82%	80%	65%	30%	31%	53%
Glenville	61%	46%	76%	23%	23%	100%
Marshall	58%	54%	57%	20%	35%	25%
Shepherd	0%	100%	76%	31%	20%	6%
West Liberty	70%	58%	54%	8%	11%	21%
WV State	51%	47%	51%	28%	40%	24%
WVU	57%	46%	40%	3%	2%	3%
WV Tech	77%	100%	100%	100%	62%	68%
Total	56%	49%	48%	10%	13%	10%

It is important to examine each campus funding trend since the overall state

figures described above are largely driven by Marshall and WVU. While these two

universities comprise 64 percent of overall enrollment within the public four-year sector,

they account for 82.2 percent of these state waiver funds in 2001 and 89.5 percent in

2002. The financial clout of the regional campuses is generally much more limited and

the fact that these colleges and universities operate closer to the margins potentially limits

their ability to either discount tuition and fees through waivers as well as designate

increased institutional funding for scholarships.

Although students receiving a PROMISE scholarship were now excluded from

also receiving state waivers since tuition expenses were covered by PROMISE, the

proportion of in-state students receiving campus grants remained steadily high except for

a one-year decrease in 2001. The data also shows that institutional response was mixed

regarding in-state award allocation as four institutions increased their in-state

proportions, four institutions decreased and two remained flat. These data confirmed the

inclusion of Marshall and WVU as two of the case studies. The proportion of

enrollment, aid dollars, and PROMISE awards they garner warrants this decision. It is

also noteworthy that the share of PROMISE awardees attending Marshall decreases over

time while the share increases dramatically at WVU. The case studies provide further in-

depth analysis to determine whether specific actions or inactions led to these shifts.

Although there were several potential candidates for a third case study, Concord

University was chosen for a variety of reason. Their data pertaining to state tuition

waivers depicts a dramatic drop in funding expended on in-state students. The

percentage drops 44 percentage points – from 49 in 2001 to 5 in 2002. Concord also

realized a decline in state grant funding going to in-state students. Both of these trends are occurring as total expenditures on grants and waivers increased from $748,000 in 2001 to $829,000 in 2002. This increase in the proportion of dollars going to out-of-state students while actual dollars are also increasing indicates a concerted investment in students from outside of West Virginia instead of retrenchment by investing fewer overall dollars in financial aid offerings.

Another reason for Concord's inclusion is that they are representative of rural West Virginia and the campus profile of these more rural regional institutions. Their proportion of PROMISE scholars remained steady during the first several years after this policy innovation, which is representative of most regional campuses. The president of Concord University at this time, Dr. Jerry Beasley, had served as president for 16 years when this policy was implemented and continued to serve for a total of 23 years. This stability, along with the fact that he was viewed by many within higher education and state government as a critic of the PROMISE program in favor of need-based assistance, created a question of how his institution would choose to respond once this program was implemented. Would Concord be accepting of this change or move in a direction that marginalized this new scholarship?

<center>Data Collection</center>

In keeping with the research design of a comparative case study approach, data was collected from a variety of sources including state- and campus-level descriptive statistics, interviews with campus policy actors, relevant state and campus documents and

<center>53</center>

archival materials. This section provides an overview of the processes and protocol utilized in each of these arenas.

Descriptive data

The data utilized for this study were obtained from the West Virginia Higher Education Policy Commission, which maintains a student-level longitudinal database for students attending any public two- or four-year postsecondary institution in the state of West Virginia. Institutions submit the data to the Commission annually. This database contains student demographic information, academic preparation data (high school GPA, SAT and/or ACT scores), financial aid awards, term-by-term enrollment information (courses taken, hours earned, grades received), and ultimately degrees earned. Financial aid information includes award amounts at each institution by type of aid as well as source of aid (institution, state, federal government) for each academic year. Institutional aid is broken down into institutional grants and scholarships as well as undergraduate tuition and fee waivers.

Identification of informants

This research study identifies informants in two different manners. First, targeted informants were chosen based on preliminary archival analysis and their administrative function within the institution under examination. These informants include a variety of campus policy actors to include college presidents, financial aid personnel, academic affairs leadership, and admissions staff.

The second stage of identifying informants follows the *snowball procedure* which is recommended in order to discover hidden actors who are not mentioned in public accounts of the process under examination (Lincoln and Guba, 1985; Erlandson et al., 1993). Whereas the targeted informants in the first stage were largely identified by their formal function at the postsecondary institution or due to public accounts of their involvement, much of the administrative functions that occur at colleges do so largely out of the public eye. The snowball procedure allows for the identification of integral players who may offer a unique perspective further elucidating the totality of the change process and providing the opportunity for more thorough analysis.

For instance, several interviews on one campus made reference to a particular member of their financial aid staff who had worked with an outside entity to analyze how to most effectively target their campus aid. They believed that this analysis enabled them to maximize their resources to form the most academically competitive class possible. Based on their recommendations, this individual was interviewed and a more comprehensive understanding of the change process was provided. While a college president or a financial aid director might be able to discuss what was implemented in broad strokes, the detail provided by this non-public figure provided critical information pertaining to change that occurred on that campus.

This study focuses solely on individuals who had direct involvement on the particular campus under examination due to their job function. These individuals were chosen in accordance with findings from the triangulation of data as well as the anticipated role that they would play within a campus change process. This wide array of campus personnel provides a fuller context regarding how decisions were made and

carried out on each campus. Those interviewed include board members and presidents as

well as staff members within the academic affairs, admissions, financial aid, finance,

institutional research, and student affairs divisions. Utilization of the snowball procedure

did not result in any interviews outside of this purview. Table 5 provides a summary of

the informants by administrative function.

Table 5: Distribution of Interview Participants

	Concord	Marshall	WVU
Academic affairs	1	1	3
Admissions	1	1	1
Board of governors	0	1	0
Financial aid	2	2	2
Other Administrators	1	1	1
President	1	0	1
Student affairs	2	2	2
TOTAL	8	8	10

Interview protocol

A semi-structured interview procedure was utilized for this research study. By

using this protocol I was able to investigate common themes between participants as well

as to have the flexibility for follow-up questions on various topics pertinent to specific

interviewees. Although case study interviews follow a protocol, the maintenance of

fluidity allows the process to address emerging themes (Rubin and Rubin, 1995).

Appendix A provides a list of the 12 interview questions and relevant probes utilized for

this study. New questions or probes were included to expound upon themes or issues that arose during the interview process.

Interviews ranged from 30 minutes in length to one and half hours with the average length being 50 minutes. Most interviews were conducted in the participant's office or an alternate location on his or her campus. Although every effort was made to conduct all interviews in person, three interviews were conducted telephonically. Several follow-up questions were discussed through telephone conversations. All respondents were given the option of confidentiality through being identified by pseudonym or administrative function. All interviews were audiotaped and fully transcribed with the respondent's permission. Extensive notes were also taken during the interview process.

Data Analysis

Data analysis employed both inductive and deductive strategies. This study implements a pattern matching technique (Campbell, 1966; Yin 2003) to allow for the evaluation of outcomes on multiple dimensions. Themes are deduced from the data collected at each postsecondary institution and held up against an analytical framework that has identified themes *a priori*. This analytical framework is comprised of dimensions from the three competing change theories explored in Chapter 2 (Yin, 2003).

Within-case and cross-case analysis

The three theories being utilized propose different dynamics in how organizations enact change. Appendix B provides an account of the operationalization of the three

theories within the change process. This study implements a two-stage analysis that will examine data both within-case and cross-case.

I conduct analysis within each postsecondary institution utilizing three distinct stages: 1) background context and institutional history paying particular attention to financial aid and enrollment trends as well as previous state legislation pertaining to higher education; 2) narrative accounts of the institutional response to the PROMISE scholarship; and 3) analysis of data along several key dimensions including campus documentation, interview data, and relevant archival materials. I then categorize data within the following topical areas: 1) the observations of policy actors pertaining to the change process; 2) the actions and influences of institutional subsystems involved in the change process; and 3) the resultant changes from any initiatives that are implemented. Interview transcripts as well as external data were analyzed and coded within the framework of the seven analytical dimensions. Emergent themes were identified which led to both follow-up interviews and the selection of additional interviewees.

Cross-case analysis seeks to gather general results and findings that create cohesion and an integrated theory that is compatible with all of the cases under examination. I analyze data patterns seeking to create a comprehensive model that explains the institutional change process on each of these three campuses in response to the introduction of a broad-based state merit aid program. This cross-case analysis utilizes multiple exemplars in order to analyze the essential elements in each case resulting in a conceptual synthesis based on findings across all three cases (Miles and Huberman, 1994; Ness, 2007).

Analytical framework

   I analyzed the data through a pattern-matching process which compares the data patterns to the analytic dimensions from the three change theory frameworks in order to determine how well the theories explain each institution's organizational change process (Yin, 2003). To systematically analyze interview data, I utilized an analytic framework outlined in Appendix B. This framework contains seven dimensions that provide the parameters to analyze the three competing theories of evolutionary, teleological, and cultural change. The seven dimensions of the framework as well as the operationalizing questions are:

1. *Stimulus for change*. What was the impetus for change to occur in regards to the creation of the PROMISE program? What role did external or environmental forces play?

2. *Clarity of change agents goals and preferences*. What do you think were the goals of this change process? Was this process straightforward or was it difficult to discern? Who would you say steered this process?

3. *Relationship of problem-identification and the change process*. Was change enacted in anticipation of expected outcomes or was it based on an identified problem? What were the anticipated or identified problems?

4. *Pace and predictability of change*. How would you describe the pace of the change process? Was it evident what steps would follow or did the process seem to change midstream?

5. *Relative influence of individuals as change agents*. Were there any individuals who stand out as being influential within the change process? If so, who? Did these

individuals drive the process or were they reacting to the externalities that

predetermined how they would respond?

6. *Outcomes of change*. Would you describe the changes that took place as major or

minor? Were new structures created? If so, what are they? Were new processes

created? If so, what are they?

7. *Nature and extent of rationality exhibited by change agents*. Were the change agents

rational? Please describe what this rationality or lack thereof looked like. Were their

actions predetermined or did they have the opportunity to express their own

preferences through the change?

Validity and reliability

  This study utilizes Yin's (2003) four criteria of data analysis and testing: construct

validity, external validity, internal validity, and reliability. This approach serves to guard

against potential threats to both the validity and reliability of the study. First, construct

validity testing serves to confirm that there is a logical process and progression to

maintain consistency throughout the study. This desired outcome is achieved by using

multiple sources of evidence and by having informants review pertinent sections of case

studies that apply to them and their expertise. Second, testing for internal validity utilizes

pattern matching (Yin, 2003) in an effort to establish causality. The use of rival

explanations also provides the opportunity to discern how each is or is not applicable

based on the data. Third, testing for external validity discerns the applicability of

findings beyond the study at hand. One benefit of a multiple case study design is

findings that are more generalizable than what is provided in a single case study (Yin,

2003; King et al., 1994). Finally, testing for reliability provides assurances that the findings can be replicated by others. The measures used to ensure this outcome is the detailed documentation of the data collection process as well as adherence to case study protocol.

Limitations

There are a myriad of limitations that have the potential to impact this proposed research. Several common threats are researcher bias, informant bias, the availability of data, access to data, and constrains on time and resources. Decisions were made during the case study selection process to ensure that the availability and access to relevant data would not be limiting factors. The two greatest threats for this study are researcher and informant bias. I served as the Executive Vice Chancellor for Administration at the West Virginia Higher Education Policy Commission, West Virginia's higher education coordinating body, for a significant portion of these interviews. My job responsibilities included oversight for West Virginia's financial aid office and all of its scholarship programs. Due to my direct involvement with PROMISE, I could be viewed as an active participant even though the events under examination occurred five years before my arrival. The usage of multiple data sources as well as triangulating these data (Lincoln & Guba, 1985; Yin, 2003) will be utilized to buffer these concerns.

The inherent dangers of informant bias are that these individuals might provide answers that they believe the researcher wants to hear or give responses that increase their standing in a given situation. Many of those interviewed also still serve within the university being analyzed increasing the likelihood for a lack of objectivity. Once again,

the triangulation of data from multiple sources will be utilized to ameliorate this potential

bias.

CHAPTER 4

WEST VIRGINIA UNIVERSITY

The PROMISE Scholarship Program came about at a very opportune time for West Virginia University. The direction of institutional policy during this period aligned nicely with the programmatic objectives of PROMISE. In particular, the scholarship's goal of keeping the "best and brightest" students in West Virginia meshed with WVU's strategy to grow as an institution while increasing its standing as a competitive research university. This case study provides an overview of West Virginia University's response to this program and demonstrates their ability to effectively leverage these state resources to further institutional goals.

This chapter is made up of three sections. The first section presents a brief overview of West Virginia University's context and governance structure. The second section provides a chronological narrative highlighting key events and actors surrounding the implementation of the PROMISE scholarship at WVU. This section is largely comprised of interview data and supporting documents to provide context for what was elucidated by interviewees. The third section offers an analysis of the West Virginia case study based on the analytic framework created from Kezar's change model.

Overview of Institutional Context and Governance

West Virginia University was founded in 1867 and serves as one of the state's two land-grant institutions. Its original name was the Agricultural College of West

Virginia, and it was all-white and all-male. The original school was comprised of six faculty members, six college students and 118 preparatory students who were hoping to join the college ranks. Like many other colleges, this provincial institution began to grow following World War II. Enrollment jumped to over 6,000 students as veterans returned and took advantage of the federal G.I. Bill. This expansion continued throughout the following decades reaching 22,774 in 2001, the year prior to PROMISE's implementation.

While West Virginia University was viewed as the state's flagship research university, it was still a school that was growing into this identity in many ways. In 2001, the average ACT score was 22.5 and over 90 percent of applicants were admitted to the university. Of those admitted, 47 percent enrolled. The retention rate at this time was 73.1 percent and the six-year graduation rate for those graduating in 2001 was 55.2 percent placing them as 15th of 21 among their peer institutions and four percentage points below this peer average. Appendix C provides a further listing of institutional demographics.[2]

West Virginia University is currently governed by a 16 member Board of Governors. This body includes 13 members appointed by the Governor as well as two faculty representatives and a classified staff representative. The structure was quite different and in flux at the time PROMISE was created. Senate Bill 653 was enacted in March 2000 and changed the shape of higher education governance in West Virginia. As a result of this legislation, both the Board of Trustees of the State University System of West Virginia and the Board of Directors of the State College System of West Virginia

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[2] Data was provided in August 2014 by the West Virginia Higher Education Policy Commission.

were disbanded, and the West Virginia Higher Education Interim Governing Board was created effective June 30, 2000. This interim board consisted of nine members appointed by the governor and possessed all of the powers and duties of the previous two boards. One year later, this interim board transferred its powers to 13 newly created Governing Boards at each institution within the West Virginia higher education system.

With many institutional responsibilities being transferred to these local boards, the West Virginia Higher Education Policy Commission was charged with the task of "gaining consensus around and overseeing the implementation and development of a higher education public policy agenda." This bill, in essence, granted greater autonomy to institutions to manage their own financial, business and education policies as well as their day-to-day affairs. This same basic structure is still in place today.

West Virginia University Case Study

This section provides a narrative of events pertaining to West Virginia University's institutional response to the implementation of the PROMISE scholarship program. The first portion examines pre-PROMISE campus activity that enabled the university to grow its enrollment and raise its student profile. Campus officials were already addressing many areas that ultimately complimented the PROMISE program. The second section looks at West Virginia University's institutional response – both programmatic as well as beliefs about PROMISE and its impact on West Virginia and state funding. While there is a general consensus among administrators that the university was able to capitalize on the benefits of this scholarship, there are still critiques regarding its efficiency and utility to the state as a whole.

Pre-PROMISE Campus Policy Shifts

   Senate Bill 547 and the arrival of President David Hardesty. One West Virginia University administrator observed that PROMISE came on the heels of a very active period within the higher education policy landscape in West Virginia. This activity was largely spurred by the 1995 passage of Senate Bill 547. This bill is best known for ultimately leading to the creation of the current community college system in West Virginia. The impetus was an increased legislative focus on economic development in the state with a desire to use institutions of higher education as catalysts to spur on this innovation. It also set into place specific salary schedules, which served to direct a certain proportion of available revenue towards personnel. This mandate proved to be a challenge for many colleges because it was unfunded and directed the usage of limited fungible resources (SB 547, 1995).

   These mandates also coincided with the beginning of David Hardesty's tenure as college president. President Hardesty had graduated from WVU and served as student body president while in attendance. He was later selected as a Rhodes Scholar and graduated from Harvard Law School before returning to West Virginia. His return to his home state and his alma mater signaled a new direction for the state's flagship university with a goal of growing the institution with students with a higher academic profile that would better position WVU as a research university.

   President Hardesty and West Virginia University's response to Senate Bill 547 was the creation of a five-year plan through which the university attempted to "strategically focus resources to maximize the opportunity for the growth, development

and quality of life of the state and its citizens" (WVU, 2000). Four goals that WVU

focused on were:

- Developing high quality and relevant educational opportunities;
- Focusing resources on programs and courses which offer the greatest opportunities for students;
- Maximizing the use of technology; and
- Providing competitive compensation to all employees.

While these goals are not atypical of objectives contained in a number of missives

originating with legislatures and college presidents around the nation, there is evidence

that WVU began to overhaul many aspects of the university. Administrators realized that

changes were needed. One school official observed, "We were losing about 400 students

a year for various reasons. You know, changes demographically, party school reputation,

cost and everything else. I think we had to change that." A fiscal strategy was developed

to reallocate $32 million dollars to enhance the library, refurbish classrooms, improve

student services, create new technological initiatives, and compensate faculty and staff in

accordance with the guidelines established by this legislation (WVU, 2000).

   A focus on enrollment management. Particular attention was given to the arena of

enrollment management and student success, which resulted in the creation of several

new institutional initiatives. Operation Jump Start sought to overhaul the residence life

experience with more faculty interaction. A senior faculty member was assigned to each

residence hall. Each faculty member would live in close proximity to the dorm he or she

represented and were to "serve as mentors and friends, provide motivation and

encouragement, and help freshmen with the transition to college life" (WVU, 2000).

There were also initiatives established to assist academically at-risk students including

the Summer Transition Entry Program (STEP) and EXCEL. STEP provided highly

structured programming including a six-week residential summer session before fall

semester, scheduled study halls, and regular meetings between the students and their

advisors. EXCEL focused specifically on students who entered with a 2.0 to 2.6 high

school grade point average. Some requirements included attendance at regularly

scheduled study halls, regular meetings with advisors, and participation in a study skills

class offered by the university. Appendix D provides a more detailed list of initiatives

undertaken at West Virginia University as a result of this institutional strategy. One

senior administrator observed, "When PROMISE arrived, the foundation had been laid.

We wanted to grow and increase our academic quality. We just had to leverage the

program to our advantage."

Institutional Response

    An afterburner effect. During this five-year initiative, West Virginia University

realized increases in freshman enrollment, residence hall occupation and freshman to

sophomore retention rates. These numbers would continue to rise with the arrival of

PROMISE. One administrator observed:

> By the time PROMISE hit, we had a series of programs in place that were
> already working. PROMISE came as a big afterburner to that. Now I
> don't know the details of whether the enrollment really took off after
> PROMISE, but it took us five years to get those other programs in place.
> They were at least complementary. I think it's hard to determine whether
> it was the money of PROMISE or whether it was these other programs;
> but, for whatever reason, we did grow rapidly.

In fact, much more rapid enrollment growth occurred after the arrival of PROMISE.

Headcount enrollment increased by 1,031 students, or 4.7 percent, from 1996-2001;

however, it increased by 4,341 students, or 19.1 percent from 2001-2006.

These "afterburners" largely took the form of very specific financial aid strategies and reforms aimed at utilizing the state student support of PROMISE to attract more and better students. One administrator stated:

> No one cuts their way to prosperity. You know, we have 180 majors. Many of them depend on having high quality students for both undergraduates and then, once they come here and want to stay, as graduate students. We clearly marketed across the state and region. It was seen as a potential for increased revenue from tuition and attracting high quality students.

With this belief as a guiding principle, WVU planned to continue to grow their university and needed revenue to implement this strategy. Increasing enrollment was a major facet of this plan.

Adding to the PROMISE. With the infusion of state funds through this scholarship that were dictated by student enrollment decisions, WVU was faced with a strategic decision. The institution could invest its own institutional scholarship dollars in other areas of the university, invest them in a different category of students such as out-of-state applicants, or build on to the PROMISE award to incentivize the attendance of more academically competitive students who had the ability to choose from a variety of in- and out-of-state colleges and universities. The administration chose to use a large proportion of these fungible resources to attract these PROMISE-eligible West Virginians. One financial aid administrator involved in this process observed:

> I think what we tried to figure out is what we wanted to do with the existing scholarship program that we had in place. And, you know, we opted to add that to the PROMISE. I think a number of institutions in the state decided to pull back some of their investment, and I think that gave us a little bit of an upper hand.

When one examines the four-year college attendance patterns of PROMISE scholars, it does appear that WVU's strategy of stacking awards did help attract a larger proportion

of these students. In 2002, the first year that PROMISE was funded, West Virginia

University attracted 42.4 percent of PROMISE scholars within the four-year public sector

and 36.4 percent statewide (including private colleges). These percentages increased to

46.2 and 40.5 in 2004 and 51.0 and 44.9 in 2006. One administrator noted, "What we

were trying to do is message that you got a ticket here for free tuition. Why would you

not want to be at the state's flagship institution?"

The Enrollment Council: Focus on what we could control. An integral

component of WVU's strategy was a very active Enrollment Council that helped shape

and implement these policies. One administrator who participated in this group

commented, "Because that Enrollment Council management group included a broad

array of people at pretty high levels across campus, I think the president and other leaders

felt comfortable with what was suggested." Another member observed that the inclusive

nature of this group resulted in a larger team where each of the major campus divisions

had buy-in to the overall strategy being developed: "At the Council, you would have

financial people. You'd have admissions people. You'd have marketing. You would

have academic affairs. So everyone who sort of had a role in recruiting and retaining

students basically had a seat at the table." It was, in fact, a very intentional policy at

WVU to grow their enrollment and this Council served as the steering committee for

those efforts. One official summed it up by stating:

> I think we finally came to the conclusion that there are things on this
> campus that we can control and there are things on this campus that we
> could not control. We were going to focus on those things that we could
> control. We could grow enrollment. So we went through an exercise of
> due diligence around student/faculty ratios. We looked at classroom
> capacity. We looked at our housing. It was a whole set of due diligence.
> What I think we concluded was that we had the capacity to grow without

significant increase in infrastructure costs meaning faculty, buildings, and support services, so it made sense to grow.

Utilizing Noel-Levitz as a resource. West Virginia University also utilized Noel-Levitz's Enrollment & Revenue Management System to more strategically target their financial aid dollars with the advent of the PROMISE scholarship. This resource employed historical enrollment trends, tuition, and financial aid award data to refine the campus target populations based on their institutional goals and strategies. One administrator described the process as follows:

> From the very beginning, we used Noel-Levitz's Enrollment Management System, which pretty much, what it does is it takes your – your freshman class or your transfer class. Whichever grouping you decide you want to look at, and breaks them into a couple of different cohorts. We decided in-state versus out-of-state was how we would break it down. It then looks at the student by an academic profile and the need level and breaks them into 36 cells.

These various cells provided the institution with relevant information addressing who had applied, been admitted, and sent in a deposit, which produced indicators regarding a student's intent to enroll. University officials would also examine the average need for each cell, the average institutional commitment as well as the anticipated family contribution. The financial aid staff "would periodically dig into those cells and try to decide do we want to do something with a particular group." Examining the historical yield rates of each cell allowed them to direct dollars at students where they believed they were underperforming to better utilize their institutional financial aid resources. This targeted approach allowed the institution not only to supplement a PROMISE award when needed, but also to use resources when necessary to attract qualified out-of state applicants.

Increasing the academic profile: Almost like a private. WVU officials decided to

adopt a multitude of strategies to both attract and retain PROMISE scholars. They were

confident in their ability to attract these more academically prepared students because

they believed themselves to have the resources, programs, and structure required to make

their institution the top student choice in West Virginia. One senior administrator stated:

> I think we would be almost like a private school in our attractiveness to
> the best students. For example, if you wanted to come to WVU and you
> were very bright and your parents and you decided to come here, then
> you'd be in the Honors Program or you would have your own scholarship
> on top of the PROMISE. We could take care of this caliber of student
> because of the resources that were freed up by this state scholarship. They
> were very important to our mission moving forward.

West Virginia University did not have a formal Honors College when PROMISE began,

but established one in 2006. The above administrator posited, "I do think the creation of

PROMISE sped up the creation of our Honors College. We had been moving in this

direction, but our ability to attract better students necessitated the growth of this

program."

This process of attracting PROMISE-eligible students started with the

identification of the "best and brightest" students at state high schools. One school

official observed:

> We changed. We had a very high quality finance and administration team.
> We had a very high quality recruiting team. It would be natural for them
> to turn to Promise Scholars. I remember, for example, leading an effort to
> visit high schools and talk to the highest quality students in the high
> school, not the broad student body, as we sought to strengthen our
> university and attract higher quality students for STEM and other
> programs.

Once these students arrived on campus, they and their families were reminded about

both the renewal criteria to keep the award as well as the economic ramifications if they

fell below the minimum standards and lost eligibility. Each group received letters

reminding them that a 2.75 grade point average was required after the first year and a 3.0

cumulative grade point average after each year moving forward. They had to also reach a

30 credit hour threshold each year. One administrator observed that the idea was to "get

the parents to understand that their kid may not drop out of college, but failure to keep the

scholarship means they're going to have to pick up the expenses. So if you round annual

expenses to $5,000, that could be anywhere from five to fifteen thousand dollars that you

normally wouldn't have to spend."

The PROMISE scholarship served to shift the financial burden of paying for

college from student to state. It was only an economic boon for institutions to the degree

that they could grow enrollment – particularly within this subset of PROMISE-eligible

students. The dilemma that then arose was that enrollment growth often resulted in a

growth in fixed costs which is what one administrator noted that WVU was trying to

avoid:

> We had classroom utilization issues that we explored. We talked about
> mobility, you know, getting people from downtown to our Evansdale
> campus, and what impact this would have on the community. You know,
> labs were a big issue in terms of making sure that you've got enough lab
> capacity to teach in the STEM fields. So we examined all the things that
> you would look at in terms of what it would take to grow enrollment
> without incurring a lot of fixed costs.

School officials understood that their growth, albeit intentional, must also be practical

and controlled. The ultimate goal was not to just grow bigger but to increase revenues as

well as institutional prestige.

Found money in an era of declining state funds. Although WVU was quite

successful in using this scholarship program for their institution's benefit, several

administrators stated their belief that the scholarship was an inefficient use of state resources because many recipients could and would already matriculate to college. Several administrators at the institution would have preferred a direct subsidy that they could then allocate in a manner that they believed would best meet their strategic needs as an institution. One administrator observed, "On a truly financial aid packaging level, at the end of the day, it's a discussion about a family's ability to pay and the value that gets perceived at the other end. What scholarships tend to do is narrow the gap between those two variables." One contention at WVU was that a direct subsidy would have allowed them to narrow this gap in a much more efficient manner since many well qualified students had the ability to pay and, perhaps, did not need this award amount to secure attendance while another student with less financial resources available might receive a larger aid package to ensure that he or she would attend. One school official commented, "If we would have gotten the appropriation and would have been able to take our philosophy of packaging scholarships, we actually think we would have been more successful than the actual PROMISE program itself."

President Hardesty confirmed this need for more state funding in a speech that he delivered in a neighboring state in 2003, shortly after PROMISE's inception. He observed that West Virginia's campuses were "faced with the realities of declining state support and growing enrollment. Faculty positions are going unfilled, staff are working to their limits, and administrators, against heavy odds, are looking for ways to keep our state colleges and universities nationally competitive" (Hardesty, 2007). President Hardesty went on to observe that WVU was being challenged by its growth. While enrollment was starting to increase, the university was faced with the task of having to do

more with less. He stated, "Because of the benefits of the PROMISE Scholarship

program, more talented students are staying in West Virginia, and these students and their

parents are demanding higher quality in the classroom" (Hardesty, 2007).

While then-Governor Bob Wise was aware of the need to keep higher education

strong and alluded to granting it favored status in his state-of-the-state address, this

argument was a difficult selling point to a legislature that was facing declining revenues

and the perspective that they had just invested millions of dollars into higher education

through this lottery scholarship.

Figure 2: PROMISE Expenditures: 2002-2008 Academic Years
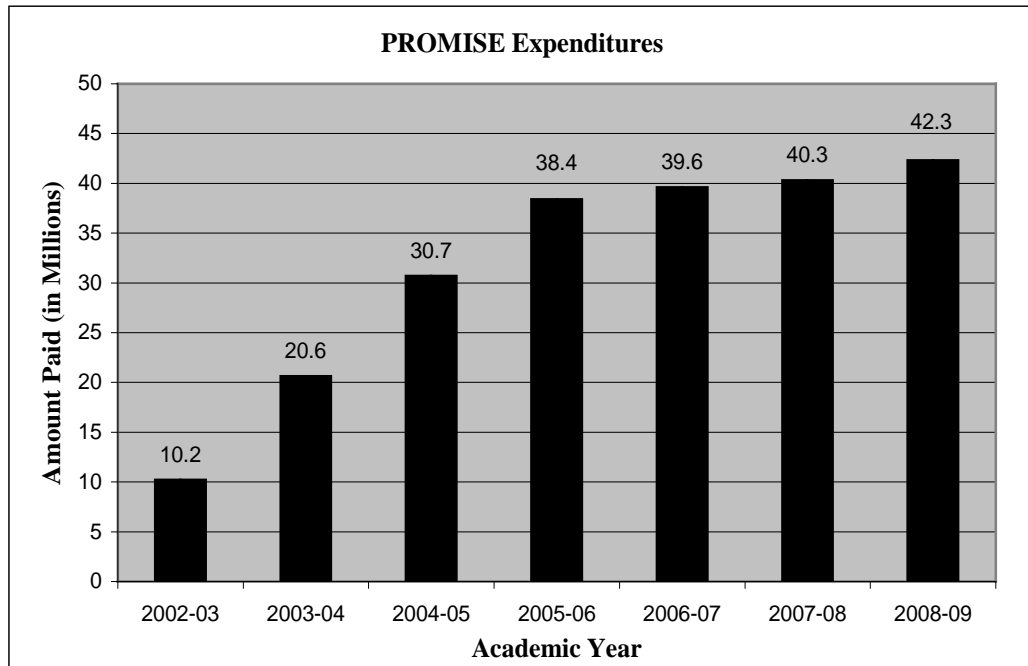
Figure 2 provides an overview of this financial investment and how it increased in the

early years of the program as more eligible classes of students entered the program.

Other factors were that greater numbers of students were qualifying for the award and

tuition continued to rise. One administrator reflected, "I cannot tell you how many times

legislators said, 'Well, we gave you PROMISE. We thought that was enough.' Well, no,

you gave the parents PROMISE." These school officials also believed that this

investment in the PROMISE program resulted in a divestment in general appropriations

for college campuses. Between the 2001-02 and 2005-06 academic years, general

appropriations per FTE decreased from $4,265 per student to $3,241, which represents a

decrease of 24 percent per student. While actual state dollars only declined slightly, the

FTE student population grew 11 percent from 62,877 to 69,847 (Southern Regional

Education Board, 2013). This individual, as well as others interviewed, believed that this

"found money" allowed parents to purchase luxury items for themselves and their

children. One administrator noted:

> Parents are now driving better cars and taking better vacations and, in
> some cases, not having to deal with any loan debt when their kids get out
> of school. Think about it, you've put away money for college and, all of a
> sudden, your kid has almost a free ride. It's like found money. We
> always kid people that the least you could do is buy your child a BMW. I
> mean, you've pretty much saved all of this money to send them to school
> and now they've got a free ride. You ought to at least buy them a BMW.

Is what's good for WVU good for the state? While there were clearly some

administrators who believed that the funds associated with the PROMISE program could

have been utilized more effectively and efficiently if they had been distributed as general

appropriations to the institution, there was general consensus that West Virginia

University benefited from the advent of this program. Enrollment increased as well as

the academic profile of the student body. Between 1999 and 2001, the two years prior to

the implementation of PROMISE, total headcount enrollment increased by 459 students

or 2.1 percent of the 1999 enrollment. Between 2001 and 2003, total headcount

enrollment increased by 1,486 students or 6.5 percent. During this same time period, the

number of PROMISE scholars, all in-state students by definition of the award, increased by a total of 2,220 students from 1,274 to 3,494.

It is not surprising that the number of PROMISE scholars would increase in the early years of the program since classes were being added annually for four years. However, not only did WVU's overall numbers rise, so did the share of scholars that they garnered within both the public four-year sector as well as the overall state total. As noted earlier, sector share rose nine percentage points and state share rose 10 percentage points between 2002 and 2006.

Some WVU administrators were aware that, nationally, there was a negative reaction expressed by many higher education scholars aimed towards merit based scholarship programs. These programs were deemed an inefficient use of resources and disproportionately advantageous to those who were from a wealthier demographic and most likely already planning to attend college. One administrator commented:

> I think it was 2000 or 2001 when a group of 50 or 60 higher education scholars, many of whom I knew and respected, had a letter – an open letter to the *New York Times*, basically saying states ought not to – to do this. This is not a good use of scarce resources. So I read that and thought, you know, this is really kind of awkward. I'll have to just not talk about this when I get back to settings where I'm around these people. I was sort of torn between the scholars that I respected and the reality of the state in which I was living and working.

This administrator went on to observe that, perhaps, West Virginia is unique in the sense that its citizenry has such a low educational rate and its average household income is low enough to where a program such as this might be needed to initiate a more productive course of action. He stated, "The conversation around the dinner table needed to be changed and needed to have an element of incentive and encouragement for students to pursue college."

One WVU official believed that PROMISE represented an important shift in the state's messaging of the importance of education and their willingness to provide financial incentives if the student would work hard and achieve in high school. Governor Wise served as this primary spokesman. This staff member recalled:

> I remember the phrase Governor Wise used so often, 'If you work hard and play by the rules,' and he would go on talk about whether you're the son or daughter of a police officer, or a teacher or a fireman or a bricklayer – he would cite those sort of middle class professions – that doesn't matter. What matters is your willingness to work and achieve.

The administrator believed that this messaging planted a "signal" with these students that "the PROMISE bears fruit." He hoped that the fact that the state demonstrated a willingness to invest in these students and show that it was important to stay in-state for college might change some of the negative perceptions that some kids might have regarding their home state.

However, the data displayed below in Table 6 indicates that these awards primarily went to those students whose families were positioned within higher income brackets. In 2001, almost 24 percent of West Virginia's families lived at or below a poverty level of $20,000; however, only nine percent of the incoming freshman class in 2002 fell within this economic range. Conversely, those students located within families making $100,000 or more were vastly overrepresented in this first class of PROMISE scholars. These families comprised less than seven percent of all West Virginians in 2001, but they represented over 15 percent of all 2002 awardees.

Table 6: PROMISE Awards and Families by Income Range

Percent Share of Awards by Income Range

Income Level	2002	2003	2004	2005	2006	Net change
% Less than $20,000 (Poverty Level)	8.96%	6.88%	6.27%	5.43%	5.22%	-41.79%
% Less than $50,000	39.74%	35.18%	33.14%	30.10%	27.91%	-29.78%
% Greater than $50,000	60.23%	63.88%	66.12%	68.71%	71.36%	18.47%
% Greater than $100,000	15.22%	16.52%	20.20%	23.11%	25.67%	68.63%

Percent of Families by Income Range

Income Level	2001	2002	2003	2004	2005	Net change
% Less than $20,000 (Poverty Level)	23.79%	21.58%	23.03%	20.80%	20.30%	-14.66%
% Less than $50,000	65.31%	63.04%	61.98%	60.17%	58.20%	-10.89%
% Greater than $50,000	34.69%	36.96%	38.02%	39.83%	41.80%	20.50%
% Greater than $100,000	6.53%	6.53%	6.53%	6.53%	6.53%	0.00%

One might argue that these figures would improve in later years as the policy surrounding this scholarship would become more broadly known and high school students and their families would realize the opportunity to have college tuition paid for as a result of hard work in high school; however, the gaps increased. Another mitigating circumstance that occurred was that academic standards pertaining to initial award eligibility increased. In 2005, 20 percent of West Virginians lived at or below a $20,000 poverty line, but only five percent of awardees were represented in the incoming 2006 class. While the number of families located within this income bracket had decreased by 15 percentage points, the number of awardees decreased by a net amount of almost 42 percentage points. The number of West Virginians located within the $100,000 or greater income bracket remained steady between 2001 and 2005, but the net difference in award recipients was almost a 69 percent increase. (DeFrank-Cole et al., 2007).

One West Virginia University administrator observed the potential for a program such as PROMISE to benefit an institution such as WVU but, perhaps, harm some of the

regional institutions that might have greater difficulty recruiting these better prepared

students that could now afford to attend WVU because of this scholarship. He viewed

many of these smaller campuses as being critical of PROMISE due to their fears of what

the program might do to their enrollment – particularly regarding the possible exodus of

better academically prepared students. He observed:

> I can understand where regional campuses would be very concerned about
> PROMISE. I don't think that their critical voices were unfair given their
> context. It seemed to be a program that may favor certain institutions over
> others. They've got to pretty much either have a unique program or
> they've got to find students who are place bound to benefit from it. I can
> understand their point of view. One thing I've wondered is whether what
> is good for WVU good for the state. We are the flagship institution and an
> economic driver in so many ways. Perhaps concentrating the best and
> brightest here is beneficial. I know my friends at other state schools
> would disagree.

West Virginia University was able to take advantage of a program that many

deemed structured in such a manner that it favored their academic and enrollment

growth. Careful planning and data analysis enabled them to pivot in a manner

that utilized this scholarship as a tool to further their strategic objectives.

Case Analysis

After examining West Virginia University's institutional response to the creation

of the PROMISE scholarship program, this section analyzes these events through the lens

of the analytical framework presented in chapter 3. Appendix B provides a summary

chart of the framework.

Stimulus for change

Within the context of Kezar's framework, change can occur as a response to external factors, internal preferences, or a combination of both. This study has positioned the creation of the PROMISE scholarship as a policy event that would impact state funding for higher education in such a way that an institutional response would be expected. Thus, there is an implicit expectation that change will occur as a result of this policy. The West Virginia University case study elucidates the importance of understanding the broader context before assuming the import of what is seemingly evident as a root cause for change.

While the advent of the PROMISE scholarship added fuel to WVU's efforts of growing both the enrollment and academic profile of their institution, these efforts were well under way before its inception. One might even argue that their administration was responding to a previous policy change with was the passage of Senate Bill 547. This bill is viewed as the catalyst for the creation of the community college system as well as a mechanism for demanding greater accountability regarding institutional responsibility for greater economic development. Another outcome of this bill, which will be discussed at greater length in the Concord University case study, is a mandate to utilize a specified portion of available revenue to fund staff and faculty salary schedules.

Whether this specific policy was the impetus for change or not, it is clear that WVU developed a set of internal priorities at this time that were later complimented by PROMISE. These priorities coincided with the arrival of a new president, native son David Hardesty. His vision and the collective skill set of his senior administrative team charted the path that the university would use moving forward. Their actions were

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largely coordinated through the agenda of the Enrollment Council, which met weekly to assess progress and make changes as needed. External influences may have served as a touchstone for a shift, but WVU's leadership was actively involved and created an internal environment that encouraged strategic change and measured progress by student numbers and the quality of these students.

Clarity of change agents' goals and preferences

West Virginia University's goals were clear. They wanted to grow their enrollment with students of a higher academic caliber. In some ways, this is a goal of most institutions, but WVU was able to couple this desire with the added fungible resources provided to them when they were able to attract PROMISE-qualified students. Scholarship funds that they had previously invested in these now PROMISE-eligible students could be utilized to enhance awards or to go after a segment of the student market that limited resources had previously prevented.

Without a single exception, all of those interviewed at West Virginia University articulated that growing their enrollment with higher academically achieving students was a primary institutional goal. While the university enrollment started to rise before PROMISE, this scholarship provided the opportunity to strategically focus on the best students available; thus, they were able to more effectively meet the second facet of their goal – higher achieving students. WVU also decided that the vehicle they would utilize to get these results was the Noel Levitz Enrollment Revenue Management System. They used this tool to analyze their applicants versus yield rate based on variables such as in-state/out-of-state status and academic profile. If examining officials deemed that their

yield in a particular desired cell was lacking more institutional financial aid resources would be placed in that area to improve the rate of return. One administrator commented, "We were quite effective. This approach allowed us to shape our classes in a very intentional manner. We believed that we had taken control of the process."

Relationship of problem-identification and change processes

There was a strong relationship between West Virginia University's identification of their perceived problem and the change process. As previously discussed, these overall processes of change at WVU preceded the advent of the PROMISE program; however, this scholarship presented them with an opportunity to improve student quality. The sub-text of the need to increase enrollment was to generate more revenue to operate West Virginia University at a level needed at a top-tier research university. An administrator commented:

> The end-game here was more new revenue – not just switching revenues from the operating side to the capital side or into more faculty lines. That wasn't going to solve our problems. We needed to grow enrollment without incurring a lot of additional fixed costs that were going to put us back in the same situation.

There was great skepticism that the state would be able to increase appropriations in any meaningful way in the near future. One school official remarked:

> The state had an enrollment-based funding formula, but it had stagnated a long time ago as it had in many states. What we really hoped for was to get what we were given the previous year. Our hope was to not be cut. An increase in enrollment was our path forward and then PROMISE gave us a chance to grow with better students. We knew that out-of-state students were going to be a part of this solution as well. They had to pick up full freight except for what we provided. The way we viewed it was an opportunity to give more students a top-notch education at a research university and to grow in the ways we needed to at the same time.

The staff member concluded with a phrase heard numerous times during the WVU

campus interviews, "No one cuts their way to prosperity."   They had to increase their

enrollment in order to grow their institution.

Pace and Predictability of Change

West Virginia University was purposeful regarding how it planned to

move forward. In order to increase enrollment, they analyzed their student-

faculty ratios, classroom capacity, available housing, and structural needs.

Another issue in a mountainous, spatially constrained area such as Morgantown

was mobility pertaining to the ability of their students and other town residents to

get from their downtown campus to the Evansdale campus in a safe, timely

manner. While these campuses are in different parts of the same town, a limited

road infrastructure complicated transportation and was a constant consideration as

the university grew.

West Virginia University also developed an on-campus housing plan that

aligned with their enrollment growth strategy. A school official commented:

> I think one of the things that we agreed early on is that we were going to
> cap the number of students that we would house on campus. Our goal was
> to get to about 25 percent of the overall headcount. Actually, our current
> student housing master plan gets us to about 26 percent, so that philosophy
> has not changed.

This strategy would rely on assistance from private companies being able and willing to

meet the excess need. The administrator continued:

> What we relied on and what we had to convince others to support us in
> doing is to have the private sector come in and start building housing for
> students. There are always advocates and opponents with this type of
> proposal. Town-gown relationships are unique and are like walking a

tightrope to a certain degree. In this instance the private sector came to the table and took care of a significant portion of our housing needs. They have done a pretty good job of it. Using them always creates competition, which holds down the prices. We were also able to start to see new types of inventory such as apartments which students love. Like it or not, these types of amenities are important in attracting the best and brightest to our town.

It is this town-gown relationship that added the largest degree of unpredictability to WVU's growth strategy moving forward; however, they found a willing partner who, as one administrator stated, realized "the tremendous economic impact what WVU had on this region. Morgantown realized that their fate and economic prosperity were directly tied to our success."

Relative influence of individuals as change agents

Individuals are observed as change agents in West Virginia University's case study; however, their actions are, generally, best understood as translated through the collective work of the senior level Enrollment Council. It is clear that President Hardesty set the overall vision and tenor for the mission to grow enrollment in a manner that improves the university academically, but he was not as involved in the specificities regarding how this overall strategy was implemented. One school official noted, "It seems that the presidents at the regional colleges in West Virginia are more hands-on with policy implementation. When you get to a school of this size, you have so many experts in so many different areas. You are paying them to handle these areas and utilizing their judgment."

Thus, it fell to the Enrollment Council to implement the president's strategy. Their influence seems clear in the decision to stack awards to enhance the financial aid

packages of PROMISE scholars instead of using all of these resources on a different

subset of students or in a different area of campus. While a portion of their concern was

in attracting PROMISE recipients who might have chosen to go to other in-state colleges,

they were also concerned with attracting those students who might choose to go to an

academically competitive out-of-state institution. One school official commented:

> We were anxious to get our financial aid packages as early as possible
> because you always want kids to make their commitments early, and our
> understanding of who qualified for PROMISE was very critical. We had a
> lot of stackable scholarships that we could utilize, but knowing whether
> PROMISE was an option would quickly let you know whether you were
> going to be in the game. I think what concerned us at the time wasn't
> necessarily the competition from an in-state institution. It was more the
> competition from out of state schools for our very best students. That was
> the real trigger for action.

It was the observations, actions, and responses of this upper-management working group

that set the strategy and enabled the steady enrollment growth expected by President

Hardesty and the Board of Governors.

Outcomes of Change

　　　While one might argue that the ultimate impact of the changes was major in that

WVU dramatically increased its enrollment as well as saw gains in the university's

academic profile, the changes themselves were minor in nature. They included informing

parents and students about the requirements to retain the PROMISE scholarship as well

as reminding them of the ramifications if they failed to retain the award. The university

also adjusted the manner in which institutional financial aid was expended by utilizing

the Noel Levitz resource tools. These expenditures were constantly tweaked based on

their target yield within certain populations and their ability to reach these targets.

In retrospect, several administrators attributed West Virginia University's institutional decision to stack a certain amount of financial assistance on top of the PROMISE award as a key reason for their success. They believed that this larger amount of assistance served to lure many students back to West Virginia who would have potentially attended college out-of-state, and those students who might consider Marshall University or one of the regional campuses now had an enhanced financial reason to attend WVU. In contrast, Marshall University did not make this institutional decision, which will be discussed in chapter 6.

Nature and extent of rationality exhibited by change agents

The change process was rational at WVU. Upon implementation of the PROMISE program, the university's Enrollment Council developed a campus strategy aimed at maximizing these state resources in a manner that worked to fulfill the institutional mission of increasing enrollment with more highly academically qualified students. The financial aid staff was responsible for implementation of many of the specific processes that were developed due to their area of expertise.

The results were routinely evaluated and adjustments were made as needed. One administrator observed, "Once the game plan was set, the rest was fairly straightforward. The Noel Levitz data served to chart our course. We followed the road map and it worked." Over a five-year span from 2001 and 2006, West Virginia University added 4,341 students (19 percent of their 2001 enrollment), increased the in-state ACT scores by almost a full point and increased its four-year public sector share of PROMISE

scholars from 42.5 to 51.0 percent and its overall state share of these scholars from 36.4 to 44.9 percent. Following their road map produced the results they wanted.

CHAPTER 5

CONCORD UNIVERSITY

The PROMISE Scholarship presented unique challenges for Concord University. As a rural campus that relied heavily on enrollment from surrounding counties, the idea of a state-level policy that would negate their price advantage and perhaps fray some of their longstanding relationships was disconcerting to some campus staff. One school official commented:

> We weren't quite sure what to expect. We trusted in our approach and what Concord had to offer, but there was also this nagging voice in the back of your mind saying 'What if these students view this scholarship as more valuable at a Marshall or WVU? What if we lose our better academically prepared students?' We weren't going to back off of our access mission. It was at the heart of who we were, but you need the better students too. We understood that we would get a mix of preparation levels. What we didn't want is to see that upper tier lopped off.

It is within this context that Concord University began to develop a plan to try and maintain its identity as a college that provided a quality education to all West Virginians without losing their share and academic mix of the student population.

This chapter is made up of three sections. The first section presents a brief overview of Concord's context and governance structure. The second section provides an institutional narrative highlighting key events and actors surrounding the implementation of the PROMISE scholarship at Concord. This section is largely comprised of interview data and supporting documentation expanding on details provided by those interviewed. The third section offers an analysis of the Concord University case study based on the analytic framework created from Kezar's change model.

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Overview of Institutional Context and Governance

Concord University is a public, baccalaureate university located in the town of Athens in southern West Virginia. The mission of the institution is to provide a quality liberal arts based education, to foster scholarly activities, and to serve the regional community. The school was founded in 1872 and was formerly a normal school. It underwent a forced merger with Bluefield State College in 1973 but this merger was dissolved in 1975. The institution changed its name from Concord College to Concord University in 2004. The university offers associate degrees, bachelor's degrees, and a master's in education. It is accredited by the North Central Association of Colleges and Schools and the Higher Learning Commission. Concord has eighteen Division II athletic teams.

The headcount enrollment at Concord was 3,055 in the fall of 2001- the year before PROMISE was adopted. At that time, all students were undergraduates. The retention rate for first-time freshman who returned to Concord the following year in 2002 was 60.3 percent.   Retention rates between 1998 and 2005, four years before and after PROMISE's implementation, ranged from a low of 56.5 percent in 2005 to a high of 62.9 percent in 1999. Tuition and fees for the 2001-02 academic year were $2,724 for in-state students and $6,116 for out-of-state students. Eighty-nine percent of students receive some type of financial aid. Appendix C provides further demographics pertaining to Concord.

Concord University was governed by the West Virginia Board of Regents until 1989. At this time, the system was replaced by two governing entities: (1) the State College System of West Virginia, which provided oversight for the two-year and regional

four-year campuses, and (2) the University System of West Virginia, which guided

institutions with graduate and medical schools which consisted of Marshall University

and the University of West Virginia. Some Concord officials believed that this

separation created a two-class system of governance with little expertise or concern being

utilized within the state college system. One administrator remarked, "Any money

expended or policy decision made in Charleston was aimed at benefiting Marshall or

WVU. Although we served a purpose, their intent was for us to play quietly in the

sandbox."

Ultimately, these two systems were replaced by a governor-appointed Interim

Governing Board in 2000. This body provided oversight as a Board of Advisors was

being created and implemented on each campus in 2001 before becoming a Board of

Governors in 2002. Concord's Board of Governors, in accordance with West Virginia

Code, Chapter 18B, Article 2A currently includes nine lay members appointed by the

governor, a faculty member, a student in good standing and a representative from the

body of classified employees.

Concord University Case Study

This section presents a narrative of events addressing Concord University's

institutional response to the advent of the PROMISE scholarship program. It begins by

presenting varying perceptions regarding the PROMISE program's intent as well as how

campus officials believed the scholarship would affect the institution. Next, other equally

tumultuous environmental shifts are discussed – namely the enactment of Senate Bill

547, the creation of a two-year college system, and the impact of declining state revenue

allocations to higher education. Finally, Concord's use of data and their institutional

response through the creation of a new set of scholarship programs is described.

Differing Viewpoints

      We were organized. There were many differing perspectives from Concord

campus officials when asked about the intent of the PROMISE scholarship and whether

their campus was prepared to leverage it to their advantage. Opinions ranged from the

university being well-positioned, to the program being a plan to divert academically

prepared students to WVU and Marshall, to the scholarship being solely intended for the

political expediency of those who were championing the program. It was clearly a time

of uncertainty.

      One senior official surmised that the PROMISE program would have a favorable

impact on Concord University. He observed, "I thought we were organized in order to

compete for good students. We already had in place a generous scholarship program that

could be used as a supplement to PROMISE and had our admission office organized in

such a way to make us very competitive in the West Virginia market." This administrator

believed that Concord had fared well when previous merit-centered programs were

introduced in West Virginia such as the Governor's Honors Academy.

      It benefits the flagships. However, another staff member was concerned that state

merit programs tended to divert the better students to research universities. He remarked,

"We looked to Georgia as one of the models to see what would happen. It seemed that

their flagship universities and their bigger institutions took a disproportionate share of

merit scholars." Another administrator expressed concern that this potential outcome could have been a motive of some who championed the PROMISE program:

> I saw the PROMISE scholarship as a means of encouraging high school students to achieve academically at higher levels. That would be reflected in their grade point average and ACT scores. I think they said in Charleston that it would increase the college going rate but I don't think they had any evidence at all to suggest that it would. Others, I think, felt that campus-funded merit scholarships at schools such as Concord and West Virginia Wesleyan were diverting people from WVU to other campuses. The PROMISE gave students a way to pay to attend WVU that would previously choose to attend a smaller campus. I think that was the agenda of some.

Campus Concerns Regarding PROMISE's Impact

   Academic profile and retention rates. There were also concerns expressed by administrators regarding the impact that PROMISE might have on campus retention rates if these PROMISE-eligible student-scholars tended to gravitate to the larger research institutions. One senior administrator commented:

> I remember thinking, well, if the better students end up going to WVU or Marshall and we end up scholarshiping students with lower levels of preparation, then our retention numbers probably won't be as strong as they otherwise would have been. What we were really trying to understand is whether keeping some West Virginians in state as PROMISE scholars would benefit us regional campuses as well.

There was a downward turn in retention rates at Concord University following PROMISE's inception. The four-year average-of-averages for the years immediately preceding PROMISE was 60.9 percent with a high of 62.9 percent and a low of 59.5 percent. The average-of-averages for the four years following PROMISE was 59.1 percent with a high of 60.3 percent and a low of 56.5 percent.

Creates a zero-sum game. There was also a belief that West Virginia's funding in general and PROMISE specifically created "a zero-sum game that pitted institutions against each other." This school official went on to state:

> The way we were being funded, the schools were being pitted against one another. There was no spirit of cooperation. You weren't really out there looking to share your best ideas. On the other hand, school officers had their own associations where they met with people of a similar position at other schools. We would open up a little more there, but even then you didn't really ask each other, 'Well, how are you handling this?' You tried to get the other guy to talk without revealing your own strategies.

Another staff member viewed the formation of PROMISE with a more pragmatic, political lens. It was a means of "selling the lottery and furthering the careers of politicians":

> I think that Lloyd Jackson had seen what it had done in Georgia – he represented us at SREB. Zell Miller, the governor of Georgia, and some of the people involved in the creation of merit programs in other states gained a lot of fame for what they did. I think that some of our people wanted to do the same. It was a case of interstate emulation. I think that Lloyd was committed to raising academic standards in West Virginia and I think that Bob Wise, as a congressman, got a lot of mileage out of federal financial aid programs and his identification with them and using them as a means of communication regarding what Congress and the federal government were doing for the people of West Virginia. I think he saw this state program as a means of giving him this same type of public platform. And I think it was also a way of selling the lottery. States that wanted gambling income or needed this income tried to connect the lottery to some sort of worthwhile public purpose. PROMISE was one of these public purposes. It was part of the sales pitch to sell sponsorship of gambling.

Regardless of the reason for its creation, Concord University and all of West Virginia colleges had to cope with the effects of PROMISE. The ripples caused by the concurrent creation of a two-year college system were also a component of the shifting policy context that Concord and other institutions had to consider.

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Environmental Factors

Efforts to increase enrollment. Concord's strategic plan was developed at the

same time that Senate Bill 547 was being enacted by the legislature in 1995. This bill

sought to create a community college system, have institutions of higher education serve

as economic catalysts for the state, and to better compensate employees as compared to

state salary averages provided by the Southern Regional Education Board (SREB). One

administrator described the mandate in the following manner:

> The expectation was that we downsize in order to pay those who remained
> at the institution higher salaries. I think it set a goal of reaching 95 percent
> of the SREB average for faculty salaries and some other goal for classified
> salaries. Basically, that was an unfunded mandate. They said, 'We
> sympathize with the faculty and classified staff and the fact that they need
> to be paid more. We're not going to give you the money to do it.' I think
> it was tacitly understood that we would downsize and pay those who
> remained more. We had conversations at Concord that we would never
> sacrifice our people for the sake of others who would remain. So, what we
> decided to do was to try to build enrollment to increase income, so we
> could meet those salary objectives. At the same time, we were haunted by
> the fact that, as we built enrollment and did not increase the size of our
> faculty, we were probably diluting the quality of the education to the
> students that we brought to campus.

Concord did in fact increase their enrollment following the enactment of this piece of

legislation in 1995. They grew from 2,400 students in 1996 to 3,055 in 2001 which

represents an increase of 655 students or 27 percent of their 1996 student body. Faculty

salaries also increased during this time period. Between the 1996-97 and 2001-02

academic years, salaries for professors at Concord rose 34 percent and salaries for

associate professors increased by the same percentage during this time period (SREB

2000, 2004).

Although school officials viewed increasing enrollment as ultimately beneficial to

the institution since the state funding formula was based on the number of enrollments,

they were also keenly aware that West Virginia University and Marshall University had built-in funding advantages due to their Carnegie classifications which resulted in a greater level of funding per student. One administrator observed:

> When you're funded on a per-student basis then you're going to do everything you can to hold on to every student you can get. The funding at that time was egregiously unfair in the sense that schools with graduate programs were funded at a much higher level. And what happened is that schools at a Ph.D. level got funded at something like $16,000 per student, and we got funded at something like $4,000 because we were an undergraduate level institution. The argument was that it costs more to educate a graduate student, but the unfair part was, if WVU had 16,000 students, they all got funded at the graduate level. It's a lot of money heading in their direction and it made it lucrative for them to hold on to every student they could. That freshman who might leave was worth a lot of money.

Audited financial statements indicate that Concord University received $3,516 per full-time equivalent student in 2001 compared to $5,872 at Marshall University and $10,585 at West Virginia University. The total appropriation for each school for the 2001-02 academic year was $9.9 million, $69.9 million and $220 million respectively. An examination of the 2012-13 audited financial statements indicates that very little had changed for Concord in terms of actual dollars since 2001. They had gained $300,000 while Marshall's state appropriation increased by $6.8 million and WVU lost $9 million (HEPC, 2002, 2013).

A two-year system and cash cows. Another environmental factor confounding the policy landscape was that the creation of a public two-year higher education system. Although the PROMISE scholarship and the community college system were years in the making, both policy changes were operationalized in 2002. This dynamic worked to further complicate the landscape for many four-year campuses. Until this point in time, many of the four-year colleges developed and housed a variety of two-year degree

programs to meet state needs in areas requiring this type of credentialing. Concord

believed that it was somewhat insulated from this change in the higher education

landscape, because it did not have a portfolio of two-year degree programs that many

other public campuses had, but they were fully aware of the dangers that were being

presented. Bluefield State College, another public four-year institution and also a

historically black college and university, is located only 19 miles from Concord's

campus. With the creation of the two-year system, Bluefield State's enrollment dropped

from 2,768 in 2001 to 717 in 2002. Although it rebounded to 1,718 students the

following year, it has never recovered from this system transformation. A Concord staff

member observed:

> The creation of the two-year system didn't impact us directly because we
> didn't have a developed two-year component. Indirectly, it did because it
> really hurt Bluefield State. A lot of students who had previously gone to
> Bluefield State in their two-year program were, I think, a little more open
> to coming into a four-year program at that point. When PROMISE began,
> the two-year program was still part of Bluefield State but it was beginning
> to separate out into New River. That really had a negative impact on
> Bluefield State. They got hit hard and nearly tanked. I felt sorry for them.
> They worked hard to build the two-year program and had it taken away.
> That was their cash cow.

Another administrator noted that, while Concord did not have a community

college component, there was a lingering fear of ultimately losing revenue if

developmental education coursework was pushed down to the community college level.

He commented:

> We had our share of remedial coursework which is when your students
> come in and they maybe get a 20 on the ACT but their math score is a 17
> or 18 or something like that. Then they have to take bonehead math,
> which is what we used to call it. It didn't really count as college credit
> towards graduation, but they had to take it. We had a lot of classroom
> space and faculty time going to those kinds of classes, but the state was
> trying to move that level on instruction to the community colleges. It

probably did make sense to do that instead of paying Ph.D.s at our school. Frankly, we didn't want to let go of that. The result would be a lot of lost revenue.

Overall, the four-year public institutions experienced a 14.9 percent drop in enrollment, 10,337 students, with the separation of the community college system. If West Virginia University, which actually increased its student enrollment from 2001 to 2002, is removed from these figures, the system declined by 11,055 students or 23.8 percent.

Declining state revenues. This decline in overall enrollments was followed the next academic year with an equally precipitous decline in West Virginia state appropriations per FTE allocated to public higher education institutions. General appropriations fell from an average of $4,029 per student for the 2002-03 academic year, the first year of PROMISE, to $3,436 per student the following year. This level of funding ranked West Virginia at 16th of 16 SREB states regarding state funding. One Concord administrator observed:

> There was a lot going on in higher education in the early 2000's. You had PROMISE, the creation of a community college system, and state funding took a nose dive. There was a lot of uncertainty. When it came to Charleston, it seemed like the politicians understood some of the potential land mines but had made up their minds. Jerry Mezzatesta was a thorn in our side. At least Jackson would listen. He wanted the thing to pass for political reasons, but Mezzatesta was just a pit bull. There was too much happening all at once. It was tough to know how to respond.

Concord University responded with a very data-driven approach that combined their understanding of their enrollment figures, an institutional philosophy addressing the provision of scholarship assistance, and an institutional mission that included the import of providing service to the Concord community and southern West Virginia.

Institutional Response

A stickler about data. The systematic analysis of data was not a new phenomenon

at Concord University. With the arrival of PROMISE it became the application of a

institutional guiding strategy to a new set of circumstances. One senior level

administrator commented:

> President Beasley was always a stickler about data. I think many
> legislators, and even colleges, fall into the fallacy of operating by
> anecdote. They take the 'N of one' right in front of them and apply it to
> the whole. We didn't do things that way. President Beasley always
> wanted to know what the data showed. This applied to applicant data,
> enrollments and academic programs. It happened before PROMISE and
> probably intensified afterwards. There was this opportunity and threat.
> We had the opportunity to leverage our resources to gain more students,
> but there was also a threat that others might outmaneuver us. Decisions
> weren't knee-jerk. We always looked at what the data showed.

In order to prevent an outmigration of students from occurring, Concord

University used a very data driven approach in regards to their financial aid policy in

response to the PROMISE Scholarship Program. One staff member noted:

> It did make us focus on the data that were collected at the state level by the
> Central Office. We carefully analyzed the state financial aid report.
> These reports showed us trends in what was going on competitively, not
> just in terms of pricing but what people were doing in terms of discounting
> in the private institutions as well as out of pocket expenditures and
> waivers. We looked carefully every year at the PROMISE scholarship
> report and looked at shifts in who was going where. We were especially
> interested in enrollment patterns among PROMISE eligible students, and,
> coupled with that, annual reports and customized reports from ACT that
> showed us shifts within sub-regions of West Virginia.

Concord University administrators used a variety of data points from multiple sources to

discern trends that would make them more competitive in their recruitment of students.

Staff also focused on the institutional responses of those colleges that they viewed as

their primary competition with West Virginia. They would try to discern from high

school counselors and students what these other institutions were doing and gauge their own response accordingly.   Concord was keenly aware that students within their geographical vicinity qualified for PROMISE at a much lower rate than many of the more urban areas within West Virginia. This reality ultimately affected the types of institutional awards they decided to offer. While Concord wanted to incentivize the continued attendance of those students who were PROMISE-eligible, they also realized that they needed to reach out to other demographics within the West Virginia student population.

There was great internal interest at the institution in how Concord compared to other schools in regards to their share of PROMISE scholars. One official stated, "We tracked it closely. Everyone was very interested in the numbers that would come out each year on which schools got their share of the PROMISE, and I think we were running nine or ten percent. We were usually in third place behind WVU and Marshall." The actual figures were lower than this recollection. In 2002, Concord University garnered 5.8 percent of PROMISE scholars within the four-year public sector and five percent of the state total. By 2006, their sector share was 5.1 percent and their state total was 4.5 percent. Concord's ranking based on sector and state share of PROMISE awardees was fourth each of these years trailing West Virginia University, Marshall University, and Fairmont State University.

Restructuring financial aid. One staff member's assumption based on national data was that "we had to plough one out of every three dollars based on tuition increases back into student aid." He said that belief was developed by

analyzing research performed by Dr. Harold Shapiro and other higher education economists. Concord's understanding was that institutional investment in student aid was increasing nationally by about eight percent a year and the institution needed to keep pace in order to maintain its market share. Tuition waivers had primarily been utilized by West Virginia residents before PROMISE's inception; however, they were now generally allocated to attract students from border states. One administrator commented, "We looked to areas where a lot of West Virginians had migrated. We were more aggressive in Ohio, Maryland, Pennsylvania, and started back into New Jersey and New York where Concord had a presence in the 1960s."

Concord realized that the landscape was shifting with PROMISE's arrival. Based on their philosophy of financial aid, the question was not whether they would redistribute their institutional aid but how this would be done. One school official stated:

> So when the PROMISE started to be offered to the kind of students we had been attracting with our own aid program we did shift the direction of some of those dollars. We had partially-funded institutional scholarships with private dollars and we actually used the Higher Education Resource Fee to pay for some of them. No other institution did that because they thought they understood the law and that the law proscribed that, but they didn't actually read the law and those HERF funds, at the time, were actually being used to fund the state grant program. After PROMISE, we did a number of things because we thought that the program would divert some of the students we had been getting to West Virginia University. We started to use more of our tuition waivers on out-of-state students and we started to use some of the money we would have given to PROMISE students to students in the middle ability range.

The Higher Education Resource Fee (HERF) was a fee collected by West Virginia's system office. It was a component of regular tuition and fee charges assessed to all students who attended one of West Virginia's public higher education institutions.

Initially, 90 percent of these funds were retained by the campus and were primarily utilized on library or student services related projects. Commission offices in Charleston spent the remaining 10 percent of this fee on general operating costs or statewide student services projects and programs. The Commission also allocated a portion of these funds to West Virginia's need-based Higher Education Grant Program.

West Virginia state code was amended in 2000 to change both the name and the scope of this assessment. The new name was the Higher Education Resource Assessment and the Higher Education Policy Commission was granted the authority to establish an assessment per student for each institution. Funds were proportionally divided between the Commission and the West Virginia Community and Technical College based on enrollment, and these funds have been generally utilized to support system-wide initiatives coordinated at the state level as well as the need-based HEGP scholarship program.

This effort to recruit more out-of-state students actually began as a component of Concord's 1995 strategic plan. School officials realized that there would be a declining share of West Virginia applicants due to the decreasing proportion of the population within this age group. A campus official observed, "We were able to recruit the [out-of-state] numbers but what surprised us was that we were able to increase our share of the West Virginia market." While they had this initial success with in-state students following PROMISE, these figures have been tempered over time as the overall demographic of young adults in West Virginia has decreased.

Financial aid data does indicate a dramatic shift in both the proportion of awards and dollars expended to in-state versus out-of-state students. In 2001, the last year before

PROMISE's inception, Concord University awarded 70 percent of its academic waivers and 49 percent of academic waiver funds to in-state students. There proportions shifted in 2002 as West Virginians only received 17 percent of these awards and five percent of the programmatic funding.[3]

Creation of new scholarship programs. By increasing their enrollment and the fact that PROMISE covered a segment of financial aid expenses for which the university had previously expended their own resources, Concord now had more institutional resources they could utilize to expand their current campus scholarship program. One distinctive financial aid program they had within their portfolio of offerings was the Bonner Scholars Program. The Corella and Bertram F. Bonner Foundation allocated these funds to colleges based on an institution's commitment to community outreach. At the time of PROMISE's implementation, Concord was the only public institution that received funds. Currently, up to 80 Concord students are provided with $1,050 per semester for up to four years of college attendance (Concord University, 2012). Students take part in summer service programs as well as events focused on leadership and other forms of personal development. The advantage of these funds is that they represented actual dollars instead of a tuition discount. The university could leverage these dollars to target different types of students depending on their need. Concord chose to enact two major changes to their financial aid offerings. One change was aimed at enhancing the PROMISE award while the other had the purpose of assisting international applicants. Concord combined both of these offerings with a service learning requirement which had

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[3] The reason for the disparity between the proportion of the awards and funding is that out-of-state tuition was $6,648 for the 2002-03 academic year compared to $2,962 for in-state students. The result is a higher dollar figure expended on out-of-state enrollees.

developed and nurtured as a distinctive characteristic of the university through the

Bonner Scholars Program.[4]

The first shift was the offering of a scholarship package referred to as a

PROMISE Plus award. This type of award was ultimately utilized by several West

Virginia private colleges as well in an effort to maintain a certain proportion of the

PROMISE market share. In essence, these institutions added an institutional scholarship

on top of PROMISE award in an effort to attract these PROMISE eligible students. One

school official's description of the program was as follows:

> It was a strategy to just, basically, double the money. If a student came in
> and had their tuition paid through PROMISE, we would match it so that
> they would have the full ride, complete books and everything else. The
> state started to look down on that sort of thing and we had to eventually
> cut it out. This really didn't seem fair in that it took away a strategic
> advantage. We were choosing to invest our dollars in that manner to
> continue to attract the upper tier students. An inability to do this could be
> detrimental to having a more balanced class academic profile.

As a public institution, Concord was able to do a more effective job of protecting

their share of the market when compared to the private sector overall since a PROMISE

award met full tuition. They were offering aid above and beyond tuition whereas private

colleges were trying to close the remaining tuition gap. One school official observed,

"What PROMISE did was drive us to scholarshiping housing and dining to get those

PROMISE dollars that only went to tuition and fees." Unfortunately, as noted above, the

state legislature began to discourage awarding PROMISE scholars above the cash value

of the award. The state perspective was that any extra funds needed to be allocated to

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[4] Wayne Meisel, the president of the Bonner Foundation, later served on Concord University's Board of
Governors.

other student populations, but Concord officials were concerned about the damage that this restriction would have on their student body profile.

One important facet of this institutional scholarship is that it was actually a tuition discount versus extra revenue being realized through an endowed program or some other type of cash gift. A university administrator stated, "We didn't actually give money; we just didn't charge the students for it. The student thought it was a scholarship but it was not real money. These scholarships would provide them with an opportunity to study abroad or to start a savings account for graduate school. Those things proved to be fairly effective."

The second scholarship program started by Concord University with the advent of the PROMISE program was the Concord College Community Service Covenant Scholarship. This program was similar to the Bonner Scholars Program in that it had a service component of eight hours per week for the academic year; however, this award did not actually have a cash value realized by the college. What Concord was able to do was invest their institutional financial aid dollars into a different set of students using assistance that was now unfettered due to PROMISE. This program did not necessarily lead the college to target international students to a larger degree, but the university was able to incentivize attendance for the better applicants within this applicant pool. One administrator observed:

> We didn't market it as a recruiting tool internationally. We would always
> receive a boat-load of bogus international applications, so we didn't want
> to encourage that. But what we did was target that money to those
> students that were really good. We would, every year, try and target
> between a five and seven percent increase in our overall enrollment. We
> created a subset that represented an equal increase in international. But
> we didn't use it as a recruiting tool per se because we had plenty
> international students to recruit from.

The program was very popular on both Concord's campus and within the community at large due to the service requirement. The participating students were viewed as contributing in a meaningful way. Another staff member stated:

> People were very accepting of it. Any time you can give the offices free labor they love it. That's the way the campus was perceiving it, and the students loved it, especially the internationals because they finally got an angle at getting some help. So it was pretty much, the Covenant was a really positive thing. It was also positive in the community because we also placed students in hospitals and reading programs and that sort of thing. We were able to maximize some pretty good ink with that.

Several administrators at Concord believed that the institution was able to remain competitive with better prepared students due to their deep discounting which allowed them to "aggressively recruit the top students." ACT scores indicate that the institution was able to maintain their in-state academic profile during that period. The average ACT score for the entering in-state freshman class of 2001, the final year without the PROMISE program had an average ACT score of 20.8. This average rose to 21.1 by 2006. While a modest increase, Concord did not appear to be losing their better prepared students. The averages for out-of-state students remained fairly flat increasing from 19.9 in 2001 to 20.0 in 2006. One school official commented, "We actually did a good job at getting the top students in. We never felt that we had any competition for those because we had such generous scholarships and could outspend them."

Impact on need-based aid. As PROMISE was beginning in 2002, Concord officials realized that the state scholarship program's expenses would rise dramatically as three additional classes would be added prior to the first cohort of scholarship recipients beginning to graduate. During this time frame, tuition would continue to rise, and, since the award's value was directly linked to this rising tuition, programmatic costs would

escalate each academic year. There was real concern as to what impact this set of circumstances would have on the state's need-based Higher Education Grant Program. One administrator observed:

> My biggest concern about the PROMISE was its impact on the Higher Education Grant Program. Because the PROMISE was tied to the SAT and ACT scores, those students would be ok anyway. And there's a direct correlation between income and SAT scores, so we were, in essence, appropriating funds that would go to people who could afford to go to college already and that was crazy. I would have far preferred to see those funds appropriated to the Higher Education Grant Program, which has a need component.

While some university officials believe that PROMISE has helped a certain subset of students at Concord, there was also a belief that the program has been a contributing factor in less opportunity for other groups of students. One administrator stated that the program helped a number of students pay for increasing tuition, but "I think it has also been part of the reason that low-income students are getting left behind." The Higher Education Grant Program (HEGP) is the state scholarship program developed to help meet the financial needs of low-income students. The total dollars awarded through the HEGP award in the 2001-02 academic year, the year before PROMISE's inception, was roughly $17 million. The programs expenditures had grown to $40.7 million for the 2012-13 academic year. The expenditures for the PROMISE program had increased to $47.16 million for the same year. Another need-based grant in West Virginia is the Higher Education Adult Part-time Student (HEAPS) Grant program. It is a much smaller program valued at $2.96 million during the 2012-13 academic year and it is targeted at part-time, non-traditional learners (HEPC 2002, 2014). It is unique to observe West Virginia's balance between need and merit-based financial aid as most states tend to adopt one approach or the other.

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Concord officials expressed a belief that a large component of their institutional mission was to provide college access to a broader swath of West Virginians. In 2000, West Virginia trailed all other states in the nation with only 16.5 percent of its citizenry having a bachelor's degree or higher. This proportion was a full 10 percentage points below the national average at that time. Neither Concord nor the state of West Virginia would be able to meet its completion goals without the successful participation of first generation and low-income students.

Concord responded by using their institutional aid to establish the PROMISE Plus program as well as by the creation of the Covenant Scholars Program. Some administrators were hoping that Concord would experience a net savings due to the state aid but it did not materialize. One staff member recollected, "We were pursuing the strategy of pretty heavy scholarship aid before PROMISE became a reality. I remember thinking that PROMISE would relieve a fairly significant share of institutional money. In fact, we ended up just spending it on other scholarship programs and more people in lieu of not spending it." Another administrator described the strategy:

> We just redirected the money to other students because we were trying
> to do two things. One, we wanted to make a Concord education
> available to as many people as possible. Two, what played into this
> and into all decisions regarding scholarshiping at the time, was the fact
> that the state was funding schools based on enrollment. So, if you
> spent more money scholarshiping students then you got more from the
> state. There was the rationale. It didn't help you, obviously, if you
> spent more on scholarships than you were reimbursed, but these issues
> entered into the picture.

Concord University used the data available to them to discern this balance between institutional scholarships and state funding. Their tendency was to "err on the side of being too generous" in order to fulfill what they viewed as their institutional

mission of serving as many economically needy students as possible while making sure they had the resources necessary to support this endeavor. One school official reflected, "I'm not sure if PROMISE hurt us or helped us overall. I think it was a waste of state money by funding those who were going to college anyway. We tweaked programs but it didn't really affect what we did. It would have been nice to have that money to use differently though. We could have made a difference with that."

Case Analyses

After examining Concord University's institutional response to the creation of the PROMISE scholarship program, this section analyzes these events through the lens of this project's analytical framework presented in chapter three. Appendix B provides a summary chart of the framework.

Stimulus for change

Similar to West Virginia University, the overarching event leading to campus change was the creation of the PROMISE Scholarship program. Although this program was the impetus for change, it was individual change agents that drove this change process – namely campus president Jerry Beasley. PROMISE created a great deal of uncertainty. One staff member stated, "It was major. It was major in the sense that it caused a great deal of anxiety and concern which, ultimately, drove a number of initiatives." Dr. Beasley orchestrated and directed this process as Concord sought to grow enrollment or at least to stave off losses. One staff member commented:

> President Beasley was definitely in charge. He was a very hands-on
> president and since we were a smaller campus he could do that. He had

his finger on the pulse of all areas whether it was academic affairs, student life, admissions or finance. He was at the center of Concord and took our mission very seriously. We needed to be able to provide an education for those students in our surrounding counties, and we built out from there. There weren't any decisions of significance that didn't run through him.

While President Beasley also had a central leadership team similar to that of President Hardesty at WVU, Dr. Beasley was more hands-on with the day-to-day decisions on his campus according to several senior staff members. He is described as having "steered the ship," provided "marching orders" and "stood watch" over Concord's operations.

Clarity of change agents' goals and preferences

Concord University's post-PROMISE plans were described by one administrator as "stay the course." While the parameters of this scholarship program led to a redistribution of financial assistance within their own campus-based scholarship fund, their mission and general strategies remained the same. Most school officials believed that the institution had a history of being competitive in attracting academically prepared West Virginians due to their generous campus financial aid. One school official commented:

> PROMISE really didn't impact us in a direct sense because we already had a huge campus scholarship program. I mean, at one point we had about 35 percent of federal cost discounted through our scholarshiping. We had also been aggressively recruiting the top students for some time. So it really didn't change anything on the ground floor. What it allowed, or caused us to do, was for us to shift some of the money into different programs and try to attract different students.

Many of the decisions made at Concord University pertaining to the PROMISE scholarship were data driven. Institutional employees examined data provided by the Higher Education Policy Commission pertaining to student financial aid levels at various

colleges, ACT and SAT reports, and retention and graduation rates at West Virginia

institutions. An official stated, "We were driven by data and our institutional goals that

we took very seriously." These goals include financial stability, meeting certain

enrollment levels, and increased faculty salaries. He further commented, "I think

PROMISE was not seen as the driver of the policy but [something] that affected our

ability to achieve these goals."

The programs that were created demonstrated the clarity in continuing the

direction of their previous goals. The PROMISE Plus program indicated a desire to

continue to attract the more academically prepared students that they targeted before

PROMISE's arrival. Their willingness to double the award demonstrates their intention

to not lose students within this demographic. The fact that they also provided an

opportunity to create savings accounts for graduate school or to study abroad depicts that

they were attuned to the types of paths often taken by this caliber of student.

The creation of the Covenant Scholarship Program provided evidence of their

desire to keep the ethos of community service front and center at Concord University.

This principle had been engrained in campus culture with the arrival of the Bonner

Scholars scholarship in 1991, which had a programmatic requirement of community

service. Under the Covenant program, recipients gave back a prescribed number of

community service hours each semester. They were essentially able to expand this core

value as a result of PROMISE. One criticism of PROMISE that was mentioned by

several school officials was that it did not contain a service requirement. One person

commented:

> It would have been nice if PROMISE had some type of service
> component. That was discussed when the legislation was being

formulated but it didn't make the final cut. I think as different groups began to oppose this or that or support adding something new they just decided to keep it simple. It's really a shame, because SAT and ACT scores don't really say anything about your character or your work ethic. It tends to say more about how much money your family had. It would have been a tangible way to get these students to give back. PROMISE stated all these objectives of keeping students in state and having this trickle down to other benefits. Well, this would have been a tangible one.

Relationship of problem-identification and change processes

There were intimations that some on Concord's campus did not believe that the

PROMISE scholarship program would actually be passed. One senior staff member

stated:

> Initially when PROMISE was created, we weren't forecasting. We were reacting. We were thinking that PROMISE wasn't going to happen. The legislature batted around ideas all the time. This one gained traction at the right time. I was actually hoping that it wouldn't happen. And when it did, we just decided to go ahead and make our changes to the scholarship program. This approach was the way to make the best of the situation.

The fact that Concord did respond quickly does indicate that they were adequately

prepared, and this response was one in which school officials tried to "make the best of

the situation."

The change process was definitely reactive to a perceived problem. While

Concord was confident that they generally provided scholarship funds at a level that

would attract the "best and brightest" West Virginian students, they had no way of

knowing how this broad-based state support for a merit program might change that

landscape. One uncertainty was not knowing how other schools would respond. Being

outmaneuvered by these other schools would create a problem. An administrator

observed:

One thing we had to keep in mind was that Marshall and WVU had an infinite ability to expand their enrollment. So there was not a direct ratio between increased PROMISE scholarships at their level and then the students who couldn't get in because of what was expended on PROMISE. These others weren't going to decide to leave one of these two schools and fall down to our level. We had to make sure that we kept what we had without knowing what their game plan was.

Concord developed their own strategy of continuing their generous level of financial aid with some of this support supplementing PROMISE and another stream going to international students as well as others. Each member of central administration played their role in this process. One school official described the process as "parts of one body working closely together." He stated:

One person would look at how we were going to pay for all of this. Another person in admissions was trying to figure out how to recruit more students and if the program would indeed keep some students in state who had previously left the state. Others would try to determine if we were scholarshiping too much. If we passed the tipping point, we gained students but lost revenue. However, if we gave too little, WVU and Marshall would snap them up. This was the constant tension. We knew what we wanted to do and thought we knew how to get there. The question was would it work.

Pace and predictability of change

Most school officials viewed the actual implementation of the changes as a non-event. They were much more concerned about what the results would indicate but knew that what they were doing "clearly seemed like the best path forward." One administrator elaborated stating:

What we did was very predictable. We looked at the data. We always studied it. We knew that we needed to give a little more to PROMISE scholars to keep them and, we also wanted to do something for our better international applicants. We now had those resources with what we weren't spending due to PROMISE. It wasn't that complicated. We had

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always been aggressive in our awards. That continued – just to some different students.

The pace of these changes was quick since Concord chose to respond immediately to the shifting financial aid landscape. From the program's passage in 2001, they had a year to make the necessary internal changes. The timeframe was actually much shorter when one considers that their internal policies would have to be set and then communicated to potential students as well as current students. One official observed, "We had to act quickly, but we already had these discussions. It was simply a matter of pulling the trigger."

Relative influence of individuals as change agents

There was a general sentiment that campus officials had not been able to influence change during the policy making process when PROMISE was first being considered by the West Virginia State legislature. One viewpoint was that they had even been viewed as obstructionists:

> When Governor Bob Wise was trying to get this through, he really thought that we were trying to sabotage his efforts. It was principally because a couple of us had degrees from Harvard and were involved with the Harvard Club of West Virginia. We invited Harvard professor Bridget Long to speak at our annual Alumni Club gathering. We would have a faculty member come down every year. It happened that when the PROMISE legislation was working its way through the process, Bridget Long came to West Virginia. She had done some research on scholarships versus low tuition and we thought that it was timely. She had not done anything yet on merit scholarship programs around the country. We took her up to the legislature to talk to some people and what she said was construed as anti-PROMISE. Governor Wise really hit the ceiling thinking that we were trying to sabotage what he was doing and that was the farthest thing from my mind. Wise never forgave us. He never forgave us for that.

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A chief concern was how PROMISE would impact students who relied on need-based assistance in order to attend college. In the eyes of Concord University officials, this subgroup of students was vital to meaningful economic development in West Virginia as well as paramount to their ability to serve their southern geographic region of the state. School officials were aware that students from higher income families were more likely to perform better on the ACT and SAT exams which, consequently, improved their chances of being a PROMISE scholar. The program was viewed as inefficient, and administrators were dismayed at the lack of a need component that would have been beneficial to many of the students that Concord needed to award in order to secure their college attendance. Although they based their arguments on national research, Concord officials believed their arguments fell on deaf ears. The same official went on to state:

> The legislature wouldn't hear of it. It got to the point of 'it's my way or the highway.' Early on, there seemed to be some recognition of the program's impact on the most needy students, but the politics took over and reason was cast aside at that point. So it was just, 'Yeah, you're right, it's going to hurt. It's not going to help those who need the aid most, but we're going to do it anyway.'

Even though Concord officials believed that they, ultimately, had little influence during the policy formulation stage of PROMISE, they proved to be influential change agents within their campus context once the policy proposal became law. Campus administrators developed a portfolio of scholarship programs that both complimented PROMISE as well as enhanced aid for those who would not be the beneficiaries of this merit aid. One staff member described the process as follows:

> Our major discussions took place at the Cabinet level. President Beasley would have a discussion with us as a group and then one-on-ones with each division to keep up with all that was going on. He was running the

show, which was a good thing. He was a very thoughtful man who had strong convictions. He would fight for what he believed in, you know – how he thought a college should be run. But he also knew how to deal with reality. That's where the numbers came in. He studied them very carefully. He knew the national trends and he acted accordingly.

Although most members of the senior cabinet could be viewed as a change agent in one way or another, credit and initiative for the process was consistently attributed to President Beasley.

Outcomes of change

The clearest outcomes of change were the development of two new scholarship programs – the PROMISE Plus and Covenant scholarship programs. These changes are considered first-order change, which does not alter existing values or require outside expertise to be utilized to learn new approaches or to help interpret or determine future meaning. Overall, administrators at Concord believed that very little changed. They adjusted their financial aid offerings to fit the current state policy landscape, but these changes adhered to Concord's current practice of examining the data and yield rates and using these finding to better use their resources to attract their incoming class. One school official summarized, "PROMISE was a bump in the road. It was a path we would not have chosen but it didn't change who we were or what we did. It was business as usual."

Nature and extent of rationality exhibited by change agents

As can be discerned from some of the observations above, the change process was rational at Concord University. As early as 1995, Concord had reason to actively pursue

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enrollment growth. They wanted to provide greater opportunity for more students to

pursue an education at their institution and Senate Bill 547 placed them in a situation of

needing to either cut personnel or raise more revenue to compensate their staff at a higher

level. Administrators opted to grow.

The arrival of PROMISE led to the implementation of new strategies aimed at

achieving these same institutional goals. Campus administrators focused their financial

aid resources on enhancing the state-funded PROMISE awards as well as allocating more

aid to differing groups of students which included West Virginians not eligible for

PROMISE receipt, out-of-state students and international students. Two new

scholarships were created and they did not experience a significant drop in either

PROMISE-eligible students or overall enrollment.

CHAPTER 6

MARSHALL UNIVERSITY

The PROMISE scholarship was viewed as a "wonderful opportunity" at Marshall University. It unlocked campus financial resources that could now be expended to pursue a different demographic of students. One school administrator observed, "The more we could utilize it, the more it would free up dollars that we could use to help other students. Everyone viewed it this way – our board, president and staff. We were excited about what it might provide." This optimism was eventually tempered by the reality that Marshall was unable to develop a strategy that resulted in a greater number of PROMISE scholars attending their institution. They were unable to attract the numbers of award recipients for which they had hoped.

This chapter is comprised of three sections that provide a context for as well as an examination of Marshall University's actions as they attempted to capitalize on the advent of PROMISE. The first section presents a brief overview of Marshall University and its governance structure. Section two provides a narrative of Marshall's response to PROMISE viewed through the eyes and actions of key campus administrators. The final section utilizes theories within Kezar's change model to provide an analysis of Marshall's case study in order to better discern the process implemented as well as the outcomes.

Overview of Institutional Context and Governance

Marshall University is a public master's university located in a midsize suburb of Huntington in the southwestern part of West Virginia. The mission statement of the institution reads as follows: "Marshall University is a multi-campus public university providing innovative undergraduate and graduate education that contributes to the development of society and the individual. The University actively facilitates learning through the preservation, discovery, synthesis, and dissemination of knowledge." The school was founded in 1837 as Marshall Academy after the Chief Justice of the United States, John Marshall. The institution began offering master's degrees in 1938, and became a university in 1961. Marshall currently offers associate, bachelor's, master's, and doctoral degrees and has a medical school. It is accredited by the North Central Association of Colleges and Schools and the Higher Learning Commission. Marshall has sixteen Division I-A athletic teams and is a member of Conference USA.

Marshall's headcount enrollment was 16,036 in the fall of 2001. The university has not had an enrollment that large since then. The student population at the university was comprised of 80 percent in-state residents and the university was 51 percent female. The average freshman-to-sophomore retention rate for students starting this year was 51.3 percent. The six-year graduation rate for students finishing this year was 35.2 percent. Sixty-nine percent of Marshall's students received financial aid this year and the tuition and mandatory fees were set at $2,724. Appendix C provides a further listing of institutional demographics.

Oversight for Marshall University is provided by a 16 member Board of Governors. Thirteen members are appointed by the state governor while three constituent

members represent the faculty, staff, and student body. Currently, two of the thirteen governor appointees are women. This body is charged with providing oversight for the operations and policies of the university. These policies are broadly divided into six categories: academic affairs; financial affairs; general administration; human resources; information technology; and student affairs. Generally, policy proposals are distributed for public comment. If there are no substantive comments, the policy is adopted. Substantive comments are addressed at a future meeting.

Marshall University Case Study

This section provides a description of the context leading up to the implementation of the PROMISE program as well as Marshall University's campus response as they attempted to better position themselves in light of this policy. First, the recent growth of the student body and expansion of programs at Marshall is presented followed by the impact of the development of a separately funded community college system. Next, Marshall's delayed institutional response to the arrival of PROMISE is described. Finally, the perceived impact of presidential leadership on this process is discussed.

Growth and Contraction

Fresh new revenue. The creation of the PROMISE Scholarship was viewed as an opportunity by many on Marshall's campus. There was full recognition of the political realities that led to the program's inception but there was great confidence and a general

assumption that they could leverage the state's willingness to pay the tuition for those who qualified for the award. One administrator summarized the situation:

> PROMISE was an initiative of Governor Bob Wise. He labeled himself the education governor and wanted to make a difference with this. Former Governor Caperton had gone to head up the College Board and I think was having some influence on Governor Wise in terms of pushing him to do something with higher education. We absolutely thought we could make hay with this. We were one of two research universities in the state. We knew that we should be able to attract this type of student which would free up other resources to go after different ones with our campus aid. As far as our Board was concerned, we needed to focus on getting more PROMISE scholars. This was fresh new revenue that we would need to feed us moving forward.

Marshall University had been in a boom period regarding its overall enrollment and expansion. From 1995 to 2001, their headcount enrollment grew 29 percent from 12,461 to 16,036. This increase in headcount resulted in university expansion in both facilities and programming to meet this need. Campus officials anticipated that this growth would continue. As one administrator noted, "We had been growing for some time. If anything, we thought that PROMISE would enhance this growth."

Expanding into the Kanawha Valley. One component of Marshall's growth was the university's July 1997 merger with the West Virginia Graduate College. This entity was started in 1958 as an extension center of West Virginia University tasked to offer engineering courses in the Kanawha Valley, which is the geographic area including Charleston and the surrounding areas along the Kanawha River. This need for more engineers coincided with the rise of the chemical industry in this same valley. The Union Carbide Company built a plant in Belle, West Virginia in 1927 and their footprint expanded through the 1950s resulting in the Kanawha Valley being nicknamed "Chemical Valley." This geographic area also houses the state capitol and currently

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accounts for roughly one-third of the state's population. The West Virginia Graduate College became its own organization in 1972 and extensive programs in both business and education were added before its merger with Marshall. This union was attributed to the "landmark legislation" of Senate Bill 547 in 1995, which "stimulated institutional sharing and collaboration in higher education that would increase efficiency and reduce duplication in programs and services" (O'Reilly, 2007).

Programmatic growth within technical education. Expansion was also occurring within Marshall's community college component known as the Community and Technical College at Marshall University. The late 1990s gave rise to programs in hospitality management, paramedic science, occupational development, computer technology and a CISCO certificate program. One administrator noted, "We realized that so many of the state's needs could be best served through the community college. This was the unit that could be responsive to immediate workforce needs." While the university component of Marshall was the public face of the institution and drove its mission, these two-year programs and certificates were complimentary to the needs in this portion of the state and a student body with varying levels of academic preparation. One administrator observed, "The two-year programs were really beneficial and the fact that this operated under the umbrella of a single school provided administrative efficiencies as well. It really was a nice set-up."

It really hit us hard. While Marshall University experienced unprecedented growth in the late 1990s, a major policy shift occurred soon thereafter that led to great financial uncertainty on the campus – the creation of a separate community college system. This system was formally created with Senate Bill 653 during the 2000

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legislative session; however, separate funding for these entities did not occur until 2002, which was the same year that PROMISE was implemented. While WVU and Concord did not have a community college component at their institutions, Marshall did. The result was Marshall's sharp decline in enrollment starting with the 2002-03 academic year. Their enrollment fell from a headcount of 16,036 in 2001 to 13,792 in 2002. This 14 percent decline was not an anomaly, but represented a new normal for the university. Marshall's fall headcount in 2013 was 13,407 representing a further decline since the inception of PROMISE and the community college system. One campus official observed:

> The development of the two-year system was a big deal. We knew it was coming because of the legislation that had passed, but we weren't quite sure what the fall-out would be. We lost a lot of students, which was frustrating when your state funding is based on enrollment and there was no money given to help with the split. Zero. The only way they could pass the bill through was to not have a fiscal note, so that's what they did. It really hit us hard. In some ways we never recovered.

The importance of losing this headcount derived from the fact that institutions were funded based on full-time equivalency enrollment. When the separation occurred it was determined that the two-year system enrollment would be funded at the same level as the parent institutions including those with graduate programs. One administrator commented:

> The split was bad but was made much worse by the fact that the FTE funding was split evenly. I remember thinking 'My gosh, are you trying to kill us?' Graduate programs are expensive to run. We had just taken on the graduate college in Charleston and the overhead to run it was a lot. I could see the community colleges being funded at the same level as regional four-years, but not at the same level as research institutions with extensive graduate programs. It just doesn't make sense.

The Marshall Community and Technical College initial headcount enrollment of 2,305 is similar to Marshall's 2001 to 2002 decrease in headcount enrollment of 2,244 students. Table 7 depicts how this decrease persists over time as well as the proportion of Marshall University's 2001 headcount enrollment that is represented by each annual decrease.

Table 7: Marshall University Enrollment Trends

	Marshall CTC Enrollment	Marshall University Enrollment Loss	Marshall University Loss Compared to 2001 Enrollment
2002-03	2,305	2,244	13.9%
2003-04	2,343	2,343	14.6%
2004-05	2,402	2,434	15.2%
2005-06	2,510	2,231	13.9%
2006-07	2,515	2,226	13.9%

While the Marshall Community and Technical College did become a threat regarding overall enrollment, this concern did not extend to the PROMISE scholarship. Generally, those students receiving PROMISE scholarships did not choose to attend two-year institutions and Marshall was no exception. Not a single PROMISE recipient attended Marshall CTC during the above years except for 2006 when they had 15 compared to 1,762 at Marshall University. This trend of PROMISE scholars choosing to not use these awards at community colleges is consistent with the access orientation of this two-year sector. ACT scores are not required for acceptance and there are much less stringent academic criteria overall for admission. The loss of these students did result in higher overall freshmen-to-sophomore retention rates at Marshall. While there is some annual variability in these figures the five-year average-of-averages in freshmen-to-sophomore retention rates at Marshall University before the creation of the community college sector was 59.8 percent with a high of 66.0 and a low of 51.3. The percentages

trend upwards in the five years after the establishment of the two-year system and

PROMISE with an average-of-averages of 67.2 percent. The high was 68.4 percent and

the low was 66.1 percent. It would stand to reason that Marshall's ability to attract more

PROMISE scholars to their campus would also serve to increase these retention rates due

the program's more stringent academic requirements above and beyond what was

required for college admission, but these increases in scholarship recipients did not

materialize.

Regrouping and Strategizing

 An option closer to home. One of the opportunities that Marshall University

administrators envisioned was the ability to attract a higher number of students who had

previously chosen to attend college in West Virginia's border states of Kentucky and

Ohio. Their hope was that a greater proportion of residents from these states as well as

West Virginians who had previously chosen to go out of state would attend their

university. One administrator commented:

> We believed that PROMISE would allow us to attract another type of
> student that we had been missing. We weren't as concerned with those
> who were choosing to go to other in-state institutions. We seemed to get
> our share of this population, but we needed more of the kids who chose to
> cross the border. We were in a fierce border war with both Kentucky and
> Ohio to get these students that lived in our metro area. There was also the
> hope of keeping the better prepared student who would be eligible for
> PROMISE and had previously chosen to attend the University of
> Kentucky or Ohio State.

This administrator believed that the state's goal of PROMISE keeping more of its "best

and brightest" students in-state fit their context and goals.

Another specific group of border students that Marshall wanted to retain was southern West Virginians who chose to cross the state line and attend college in Kentucky. A school official observed:

> I think that we felt, along with a lot of other colleges, that a good number of West Virginians chose to go out of state because they got a better scholarship offer than what we were able to give them at a state institution. We hoped to now be able to offer them enough here that they would find us attractive. I think that deep down, particularly in southern West Virginia, these families didn't really want their children going out of state anyway, but they couldn't turn down the money. We hoped that they would see us as an option closer to home. They could even stay on campus, which research shows would help their chance of finishing with a degree, and still be close enough to go home whenever they needed to.

Another school official noted that most of Marshall's student body was from West Virginia and that the school was in competition with a very active coal mining community that was providing robust wages at that time. He observed:

> About 88 percent of our incoming freshman classes were from southern counties, south of Kanawha County. A large part of who we were providing access to was these kids who otherwise wouldn't be there. I think that some saw PROMISE as an opportunity to expand on that. There were two realities. One was that families didn't have the wherewithal to afford higher education. The other was that the coal mines were running. Coal miners could get paid $50,000, $60,000, $70,000 a year even then and we were losing a lot of those kids to the coal mines because the girlfriends and the bright shiny pick-up truck were more attractive than higher education.

The fact that Marshall had been steadily growing created an environment where enrollment growth had not necessarily been pushed prior to PROMISE. One staff member stated that, in the years leading up to PROMISE, there had not been a strategic push to increase enrollment. He commented, "We weren't really looking for numbers. We were wondering if we would be able to accommodate all of the students that we had." Marshall University ascertained that they were quite competitive in the West Virginia

student market and enrollment concerns were not pressing. In his opinion, there were few efforts put into retention because the university was not having difficulty meeting these numbers. He reflected, "We [Marshall] never worried too much about retention, but quickly started to as schools began scrambling for students."

Butts in beds. Programmatically, there appears to have been very little change to Marshall's financial aid portfolio immediately after PROMISE's arrival. As was the case with West Virginia University and Concord, Marshall also realized a dramatic drop in state waiver funds being utilized on in-state students. A component of this shift was the fact that these funds could not be used on PROMISE students, because these scholarships paid full tuition and fees. A byproduct of this parameter was that institutions expended a much lower proportion of waiver dollars on in-state students than they had previously. Marshall's percentage of waiver funds utilized on in-state students dropped from 57 percent in 2001 to 20 percent in 2002. (HEPC, 2002). It is important to note that these waivers represent tuition discounts instead of actual dollars from a scholarship fund.

These waivers ultimately were manifested in the form of expanded scholarship offerings. In 2005, for example, Marshall created the Border State Scholarship, which offered first-time freshmen from Kentucky, Ohio, Pennsylvania, Maryland, and Virginia up to $3,500 to attend Marshall. The minimum qualifications were a 23 composite score on the ACT exam and a 2.75 high school GPA. Students could renew the award by maintaining a 2.0 GPA. An administrator referred to it as a "butts in beds" scholarship. He stated, "We had excess capacity and needed a larger student body to pay for our expanding infrastructure. We needed to do something."

Marshall also began to lose its share of PROMISE scholars as an increasing percentage of these awardees chose to go to West Virginia University. In 2002, the first year of the PROMISE program, 23.6 percent of scholars in the public four-year sector chose Marshall compared to 42.5 percent at WVU. By 2006 Marshall only garnered 20.8 percent of these scholars compared to 51.0 percent at WVU. One aid administrator reflected, I never recall a single conversation where we sat down and said "what are we going to do to bring in more PROMISE Scholars?" The aforementioned Border State Scholarship hoped to bring in students who were more likely to reside on campus than commute. A school official observed, "We had dorm space that we needed to fill and had to figure out a way to do this. Our mortgage payment on these dorms wasn't going to magically pay for itself. We needed dorm revenue."

In 2006, Marshall University added the Appalachian Region Scholarship, which had the same criteria as the Border State Scholarship but for a different subset of states that included Alabama, Georgia, Mississippi, New York, North Carolina, South Carolina, and Tennessee. When asked about the diversity of the states included in this grouping, an administrator laughingly responded, "The Appalachian Trail runs through most of those states." It is important to note that this formal restructuring of these scholarship programs that focused on out of state students did not manifest itself until four years after PROMISE. This timing also coincided with a change in leadership signified through the arrival of a new college president, Steve Kopp.

Presidential Leadership

He couldn't get the enrollment piece. The lack of a strategic response to

PROMISE in the years immediately following its inception was largely attributed to

college president, Dr. Dan Angel. One staff member observed that President Angel was

not an advocate of the program and did not think it would have longevity. He stated:

> Our president was not a strong proponent of merit-based aid. He also
> didn't think that PROMISE had legs. There were a couple of times when
> it appeared to be a dead bill but was resuscitated. I think because of this
> point of view, there wasn't a lot of effort on campus on the program. In
> hindsight, we should have used this new program to pivot sooner. Instead,
> it was more wait and see.

The financial aid office would annually produce a report that indicated the gains

and losses of PROMISE scholars by county. It was a data point these administrators

believed could prove valuable, but one official commented, "I don't recall ever being

asked about that report and never heard its contents discussed." Another administrator

observed:

> The board members were only getting the gross numbers as to how many
> PROMISE scholars we had enrolled. Beyond that, there was no other data
> being shown to them. We were very interested in the comparative
> numbers between Marshall and WVU. We wanted to know how we
> stacked up to how they were doing. President Angel always chose to
> present as little information as possible. I think it was his failures in this
> arena that led to his ultimate departure in late 2004. He had his five-year
> review and it was the conclusion of the board that they were not getting
> adequate and sufficient information on a number of fronts, enrollment
> included, which encompassed the recruitment of PROMISE scholars.
> Another school official expressed a similar viewpoint.

He noted a theme echoed by many others – a depiction of a president who was not

viewed as being engaged within the arenas of admissions and financial aid. He stated:

> I think from President Angel's point of view the PROMISE was an
> opportunity to get an influx of students that we wouldn't otherwise get.
> However, when you look at the Marshall statistics, you're going to see that

during this period of time there was not an uptick in enrollment. That was one of the key factors that led to his departure from the university. He couldn't get the enrollment piece and the recruitment piece right to the point of making the Board – the incoming Board of Governors that came into existence – satisfied with his performance.

Shifting governance. Marshall was dealing with the same shift in governance as other higher education institutions within West Virginia. In a three-year period, West Virginia had transitioned from two state level boards to a state Interim Governing Board to a local Board of Governors for each institution. As mentioned in the previous chapter, the two state boards included the State College System of West Virginia, which oversaw the regional four-year campuses, and the University System of West Virginia, which provided oversight for Marshall University and West Virginia University. This transition occurred as PROMISE was being formulated. The enacting legislation for the scholarship passed the legislature and was signed by Governor Wise in 2001. The program was then funded and implemented in 2002. Thus, each campus was beginning this new scholarship program just as they were also getting their own boards.

One administrator believed that this shift in governance structure would benefit Marshall since their newly formed Board of Governors had some carryover from the University System of West Virginia and the Interim Governing Board. This school official observed:

> Some members of our Board of Governors were very interested in PROMISE because they had actually been on the board at the state policy commission or the Interim Board, so we had some people who had experience and brought that experience to our Board. They had been part of the development of the whole development of the PROMISE scholarship for the state, at the state level, so they were very knowledgeable about that. I think that was very fortunate for Marshall. They knew about this program and they wanted to make sure that we didn't blow this opportunity.

Upon further reflection, this staff member posited that this board composition perhaps, ultimately, worked to President Angel's disadvantage. He observed, "The president didn't share their enthusiasm. It became a problem."

Lack of response. Overall, there seemed to have been very little policy response to the PROMISE Scholarship at Marshall University. The most meaningful change response appears to be the distribution of financial aid, and these changes were much more reactive than strategic. Tuition waivers which had traditionally been used to attract in-state students were increasingly used to attract out-of-state students. One administrator observed that by the time Marshall began to develop an institutional strategy, waivers and PROMISE scholarships could not be stacked, so the institution tried to attract out-of-state students with their tuition discounting. Financial aid officials believed that the inability to stack tuition waivers with the PROMISE award greatly limited their financial aid options. Marshall administrators knew that West Virginia University would offer institutional scholarships that could be stacked in an effort to get PROMISE scholars to attend their university, which, in turn, forced Marshall into a similar approach if they were to remain competitive for these students. An administration official reflected, "PROMISE scholars ate up our institutional awards. It was hard because they ate up our cash funds which limited our opportunity with other student groups such as low-income." Marshall also expanded the eligibility criteria for their institutional scholarships in an effort to attract the academically prepared tier of in-state students just below that of PROMISE recipients. He commented, "We looked at the group of students that would be eligible and we made slight adjustments to include a larger number."

While West Virginia University had an active campaign to grow their enrollment and Concord University officials expressed a fear of enrollment decreasing because of PROMISE, these same enrollment concerns did not seem to exist at Marshall based on the interviews that were conducted. They viewed PROMISE as presenting an opportunity to obtain a strategic advantage in these arenas of out-of-state students and southern West Virginians, but they did very little to incentivize the attendance of those eligible to receive PROMISE. Their assumption was that Marshall would remain competitive with this group of students, but this belief did not materialize. One staff member reflected, "Looking back on it now, we should have done more attract PROMISE-eligible students. We thought they would come and we were wrong."

Case Analysis

After examining Marshall University's institutional response to the creation of the PROMISE scholarship program, this section analyzes these events through the lens of this project's analytical framework presented in chapter 3. Appendix B provides a summary chart of the framework.

Stimulus for Change

Although the development of PROMISE was an overarching reason for change at Marshall University, school officials were dealing with other external factors that had an impact on the same type of enrollment issues that would plague them in the years that followed. The development of the community college system resulted in a two-year institution being developed at Marshall that was administratively linked to the university

but attracted students that would have otherwise attended the four-year campus. They were also dealing with West Virginians who chose to cross the nearby borders into Kentucky and Ohio to pursue higher education opportunities in these states. This struggle for these students was described as both a "war" and a "battle" in different interviews. A third factor that was mentioned was the dynamic of a booming coal industry that resulted in many young adults choosing an immediate source of income instead of a college education. Each of these external factors contributed to a need for change in order to stave off declines in enrollment. It is noteworthy that this competition from the coal industry was not mentioned by Concord University officials even though the population they generally served would have similar access to these jobs.

These environmental conditions also created a confusing landscape for Marshall University personnel. One desired area of change expressed by several administrators was a better institutional academic profile. A decrease in student enrollment could either bolster or harm the academic profile of their student body depending of the quality of the student lost. It is likely that losing students to the community college sector or those who chose to directly enter the mining industry might improve the overall student profile at the expense of a loss in revenue; however, a loss of PROMISE-eligible students and perhaps those choosing to go out of state could negatively impact enrollment, academic profile, and revenue. One administrator observed:

> Our flow of students had been good. Enrollment was steadily growing.
> As a research university we also wanted to do those types of things that
> grow research institutions such as bring in better students and increase our
> graduate program offerings so we could be more competitive for research
> dollars. I think, deep down, we wanted to be more like WVU. PROMISE
> was viewed as an opportunity to close the gap if we could compete for
> these better students. Unfortunately, the bottom fell out of enrollment

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with the creation of the two-year system. We never seemed to really get our feet under us and grow enrollment in the way that we wanted.

Fighting for students on these multiple fronts required a response from Marshall, but it did not appear to be a coordinated one resulting in an intentional, actionable plan. Perhaps one reason was a college president, as a school official observed, who believed that PROMISE would not be a sustained state effort. This miscalculation resulted in a muted institutional response.

Clarity of change agents' goals and preferences

Generally, there was a lot of activity at Marshall University to implement what was described as "best practices" aimed at bettering the institution. However, this activity does not appear to have been focused, clearly evaluated, or adjusted based on what the data bore out. Eventually, school officials realized that this approach was problematic. One campus administrator commented:

> We did bring in Noel-Levitz and had them look at our entire recruitment and retention program. We wanted them to help us sort out what we were doing, what we needed to continue to do, and what we were doing too much of which was an interesting point. When they came in and they looked and what we were doing, their response was 'Oh my goodness! You could fill a notebook with all the things you are doing.' What they ended up basically saying is that we were doing too much.

> They told us that we were too busy and that we shouldn't be doing 100 things but should do 10 or 15 and really drill down and do them well. That was good information for us. Everybody was scrambling to recruit and to retain. I think in doing that we were going after too many shiny objects. I'm always wary of the bright and shiny objects – the newest thing on the horizon. The problem is, not only at Marshall but with most institutions, when you adopt a bright and shiny object, you don't drop any bright, shiny objects off of your list. You just keep adding and adding and adding.

This administrator believed that this "shotgun approach" resulted in an inefficient use of staff time and institutional resources. The pre-PROMISE goal of improving student quality had given way to a more modest aspiration of regaining the enrollment that had been lost.

No school officials interviewed articulated a specific strategy that was utilized. After President Angel's departure in 2005, the Border State Scholarship and the Appalachian Region Scholarship were established to address these enrollment concerns. It is highly likely that Marshall was already directing portions of its institutional aid in these directions, but these programs served to focus and publicize these efforts. One school official observed, "We had a strategy and that felt good. We were acknowledging where we were coming up short and doing something about it."

Relationship of problem identification and change process

The issue of problem identification and change was complicated at Marshall University due to the creation of the two-year college system. Enrollment immediately dropped by over 2,200 students or roughly 14 percent of their total enrollment the year that PROMISE was created. This dynamic became the overriding story. While board members were very interested in the specific PROMISE enrollment figures and how these compared to those of West Virginia University, the general consensus was that these requests were not met and that any data they were provided was only at the most basic level. The result was a general sense that there was a problem without having it specifically identified or a remedy established. One administrator stated:

> Quite honestly, I think we thought we would recruit more PROMISE
> scholars than we did. I think that was a little bit of a stunner for Marshall.

> It seemed that other schools did exceptionally well and maybe some of that has to do with their location or other factors like that. You know, they live closer to a large population base. And we sat back and saw this and thought some of these students would come our way but they didn't. That was a bit of a stunner.

Many administrators had mistakenly assumed that the natural growth they had experienced in the 1990s would result in continued growth, and they believed that the infrastructure that Marshall University currently had in place would be sufficient to garner a greater share of PROMISE scholars. Neither one of these assumptions held.

One component of this assumption was the added enrollments Marshall thought they would gain from those West Virginia residents who currently chose to attend out-of-state colleges, but would return to the state because of PROMISE. School administrators hypothesized that particularly those who attended schools in Kentucky and Ohio would choose to attend Marshall due to a cost benefit analysis. The ultimate PROMISE enrollment numbers did not support this hypothesis. They consistently lost their share of PROMISE scholars. Marshall University received 23.6 percent of four-year public and 20.3 percent of overall PROMISE awardees in 2002, but this proportion had fallen to 20.8 and 18.3 percent respectively by 2006. One administrator assessed this trend stating:

> I personally feel that for a lot of students who were considering going out of state, if they had – if they were going to stay in state, whether that was a financial thing, parental pressure, whatever it was – I think that they thought, well, if I have to go in state, I'm gonna go to WVU. I think that was simply a fact that was difficult for Marshall to deal with. They were very disappointed that they could not recruit more PROMISE scholars.

Pace and predictability of change

Marshall University's pace of change was slow and does not appear to have possessed a focused sense of purpose. As noted in the case study, there do not appear to have been any meaningful changes to the financial aid program in the years immediately preceding the advent of PROMISE. Eventually, formal changes were made, but these alterations did not occur until a new president arrived in 2005. The predictability of change was also nebulous due to an environment where many initiatives were undertaken but there was no clear indication regarding how they fit together towards a common goal.

Relative influence of individuals as change agents

The research for this case study did not portray individuals as strong change agents. While a subsequent report by Noel-Levitz revealed a myriad of initiatives that were being undertaken at the university, they were not directly tied to the creation of PROMISE nor were there any strong indications of particular individuals serving as change agents or driving the process. There was a clear linkage between the academic affairs and financial aid offices since financial aid reported to academic affairs. Their working arrangement was described as follows:

> The day-to-day decisions pertaining to PROMISE and others of this nature were really a result of academic affairs working with financial aid. They would meet on a weekly basis with the director of admissions, the director of financial aid, the director of recruitment and the registrar. They would bring forward issues. There was not really a formal agenda. They brought their issues and talked about how to resolve them.

However, there was no evidence that this group was engaged at a deep level with the PROMISE figures, thus they were not in a position to develop a possible strategy based on this data. There was an understanding among many staff members that PROMISE

data flowed to the president and then the Board of Governors in a very general manner, but it did not necessarily flow to the staff members who should be tasked with developing programmatic responses to the findings. One staff member commented, "It was frustrating to not be able to get meaningful PROMISE numbers in a timely manner. These figures should have been plastered everywhere. Our Board wanted to know what was going on and what our plan was to improve, but the people responsible for this improvement didn't always have the information they needed."

On numerous occasions President Angel was described as being disengaged when it came to the PROMISE programs. One staff member observed:

President Angel was interested in PROMISE to a certain degree because the Board was, but he didn't believe in it. I sure didn't. What an inefficient use of resources. Why not put the money into need-based aid instead of give a blank check to those families who were already going to attend? He could be difficult to deal with. He was quite hands-off in that we would come make these reports but he wasn't very interested. His thought process was 'You just do your job and I'll do mine.' He didn't want to drill down into the details of the things that mattered which was a shame.

His disengagement resulted in a feeling expressed by one staff member of being "rudderless" to move in a productive direction.

Outcomes of change

The outcomes of changes that resulted from the PROMISE scholarship program were minimal at Marshall University. There was reference to a special convocation that was held to recognize this subset of their student body as well as the development of letters that were sent to PROMISE recipients to make sure they understood the award renewal criteria moving forward. Overall, this program did not seem to immediately impact the manner in which the campus was administered. One school official reflected:

It wasn't until several years down the road that we started to make structural changes that tied into PROMISE. This was after President Angel left. President Kopp came in and we analyzed our situation and how to best leverage PROMISE.

Ultimately, the school official recalled that Marshall:

Created one basic scholarship program where, if a student met the criteria of a 2.75 grade point average and a 23 ACT score, he or she would get an award of $3,500. Their scores were chosen because they seemed to be the tipping point for success for out-of-state students. We calculated that a 2.75 GPA for out-of-state students was roughly equal to the retention rate of a 3.0 West Virginia student. We also calculated that we only needed to attract and keep six students to break even. We ended up getting 40 to 50, so it was successful.

The initial institutional response appears to have been minimal with a more robust analysis and response occurring several years after the programs implementation.

Nature and extent of rationality exhibited by change agents

Marshall University personnel were quite active in a number of initiatives aimed at improving the recruitment and retention of students. The best practices, or "shiny objects", were added over time without being effectively evaluated or integrated with other initiatives. Since their enrollment figures had been steadily increasing for years, there was a belief that the university was on the right course and that changes were not needed. Several administrators also expressed the belief that they were well positioned to attract PROMISE scholars as the program began. In fact, it was a shock when they didn't attract a higher proportion of this student population using their previous strategies.

The 2002-03 academic year was the beginning of a downward turn in both headcount enrollment and, consequently, revenue. The immediate reason for this downturn was the legislative separation of the community college components of the

institution from the four-year component. This split resulted in an instantaneous loss of

14 percent of their student body and the associated state, federal, and student revenue. At

the same time, the university did not pick up the share of PROMISE scholars that they

anticipated.

It was evident to many campus officials that changes needed to be made but there

was an uncertainty regarding what to do. One administrator stated:

> We were kind of scratching our heads trying to figure out a best path
> forward. Much of who we served was southern West Virginia which was
> a dying part of the state. The population has been steadily declining in
> these counties for some time. The community college split was a big loss
> in many ways but the reality is that students going there needed to be
> there. They weren't ready for a four-year campus. So this hits and the
> Board is not happy with our PROMISE numbers. We weren't sure what
> to do. By this time our president was already in hot water with the Board.
> There were athletic issues, academic issues and now recruitment and
> enrollment issues. We needed someone to say, 'Let's do X, Y, and Z' but
> that didn't happen. People were working hard. I'm just not sure that we
> were working hard on the right things.

The response at Marshall University was a rational one in light of these

circumstances. There was no reason to believe they were not on the right course based

on the enrollment figures; however, when the course was altered through policy shifts at

the state level, there was inaction. This paralysis can be understood in light of an

embattled president dealing with a myriad of campus issues.

CHAPTER 7

COMPARATIVE CASE ANALYSIS

This dissertation seeks to examine higher education institutional response to a state policy change – the introduction of a broad-based merit aid scholarship program. These changes are examined through three competing organizational change theory lenses in order to better understand this institutional response. The two driving research questions, originally stated in Chapter 1, are:

1. How do three West Virginia colleges and universities respond to the implementation of the PROMISE Scholarship program?

2. How do three existing organizational change theories – evolutionary, teleological, and cultural – explain the institutions' organizational response to the advent of the PROMISE program?

With an understanding that each of these three change theory frameworks can highlight different components of the change process, an analytical framework consisting of seven dimensions is utilized to elucidate the explanatory power of each framework. While each case study presented a within-case analysis of the compiled data in chapters four through six, this chapter employs the same framework for this between-case analysis.

The remainder of this chapter is comprised of two sections. The first section utilizes the research method of cross-case analysis to examine both the similarities and differences between these cases. This strategy allows for accumulated knowledge to be compared and contrasted in an effort to produce new knowledge (Khan & Van

Wynsberghe, 2008). The second section will consider the benefit of each of the three

theoretical frameworks by examining how each provides explanatory power within the

analytical dimensions of each case. This examination will be followed by an analysis of

each framework within the context of the events portrayed in each case study.

Cross-Case Analysis

The cross-case analysis compares the change response events that occur on each

campus to the seven dimensions within the analytical framework. Both commonalities

and divergences are reported. While it is possible for data presented in each case study to

be relevant to more than one dimension within the framework, these seven areas provide

an opportunity to capture detailed events in a structured manner as they pertain to the

change process. For example, an important facet of change is the role of leadership. The

activity or passivity of a leader or leadership team is a major component within the

change process and discussions around this role can overlap into more than one analytical

dimension. However, the fifth change dimension specifically addresses this role of

leadership. This inter-related nature is to be expected and the analysis under each

dimension provides an opportunity for a more nuanced explanation. Each dimension is

described in Appendix B.

Stimulus for change

The cross-case analysis of the various stimuli for change on each campus presents

both similarities and differences. As conveyed in contextual change theory literature,

change can be the result of internal conditions, external factors, or a combination of both

(Kezar, 2001). It is anticipated that shifts in external policy will likely result in an internal organizational response (Meyer et al., 1990). Organizations that respond quickly and effectively are more likely to realize immediate short-term gains (Haveman, 1992).

Each case study reveals the importance of the PROMISE Scholarship in regards to creating an environment that required some type of response. However, this dimension also serves as a reminder of the other statewide policies that play a role in campus action. Some of these are complimentary of PROMISE while other changes present campus obstacles.

Table 8: Stimulus for Change

	West Virginia University	Concord University	Marshall University
Stimulus for Change	The PROMISE Scholarship program changed the state structure regarding how financial aid was provided in West Virginia. Senate Bill 547 and an increased emphasis on innovation. This led to efforts to grow enrollment with a more academically competitive student and an emphasis on increasing STEM programs.	The PROMISE Scholarship program changed the state structure regarding how financial aid was provided in West Virginia. Senate Bill 547 included a salary schedule component which resulted in a university strategy to increase enrollment to prevent staff and faculty lay-offs.	The PROMISE Scholarship program changed the state structure regarding how financial aid was provided in West Virginia. The creation of a separate community college system in Senate Bill 653 served to decrease enrollment and state appropriations.

An event that resulted in a change response, and a focal point of this dissertation, is the creation of the PROMISE Scholarship program. This policy led to significant shifts within the financial aid landscape in West Virginia. While a state-level program, it

provided all three campuses with an incentive to leverage this scholarship or, at a minimum, buffer their campus against the loss of students and revenue. Each set of campus officials clearly indicated the import of the discussions leading to the policy developments as well as the ensuing programmatic implementation which is the focus of this research.

While this policy played a pivotal role in campus direction, each case study also brought to light other state policies that led to meaningful shifts in what all three campuses were trying to accomplish within their specific policy and financial constraints. Two pieces of legislation that resulted in significant policy responses on these campuses were Senate Bill 547 and Senate Bill 653. The former was passed in 1995 and placed an increased state focus on economic development in West Virginia with an expectation that campuses would help to drive this innovation. Ultimately, a separate community college sector developed as an outgrowth of this initiative. Officials at West Virginia University attributed this legislation as a catalyst to their concerted efforts to both grow enrollment and increase their academic offerings in STEM fields which would, consequently, spur this economic innovation.

Concord officials also attributed change on their campus to a second component of the legislation – a specified salary schedule that mandated campus revenues going towards meeting specified levels of compensation. One staff member surmised that the expectation was that the campuses would reduce their personnel numbers in order to meet these salary expectations. He stated that Concord's solution was to grow the institution in order to generate the revenue needed to fund all of their employees.

While Senate Bill 547 is viewed as a precursor to the community college system due to its emphasis on economic development, this two-year system was formally established through Senate Bill 653. A key difference between Marshall University and the other two institutions examined is that Marshall had a community college component. When funding was officially separated between the two entities in 2002, the same year as PROMISE's implementation, Marshall instantly lost 2,244 students and the associated state funding as well as student revenue.

These policy changes outside of PROMISE are noteworthy. In the case of WVU and Concord, each campus response was well in advance of PROMISE and had resulted in an institutional mindset of expansion. Prior to PROMISE, enrollment at Marshall had been steadily growing and university officials had increased academic programs on their main campus as well as started graduate programs near Charleston. They were ill-equipped to deal with a 14 percent decline in student population as well as the lost tuition, fees, and appropriations associated with these students. In each case, these campus responses to other policies served to set a context that impacted the PROMISE change process. They served to propel WVU and Concord University forward, but Marshall University was hindered by the constraints.

Clarity of change agents' goals and preferences

Process change theory emphasizes that the goals and preferences of change agents can be best understood through careful analysis of the enactment of the change event (Kezar, 2001). The case studies within this dissertation attempt to provide a mechanism for examining the campus change that takes place. Higher education

institutions present a unique framework when compared to most business or industry for examining change. There is a unique culture that must be understood in order to best analyze the goals of change agents (Galpin, 1996); however, the ability to model this change process reveals the clarity or uncertainty of the change process (Judson, 1991).

The goals and preferences of the campus change agents were clear at both WVU and Concord, but they were limited at Marshall. Both WVU and Concord officials believed that they could continue to grow their enrollment through very specific strategies. There was a general assumption at Marshall that they would get a large share of these PROMISE recipients from students who already wanted to attend Marshall as well as those currently choosing to attend colleges in their border states of Kentucky and Ohio. Less thought was put into the concept of enhancing the PROMISE scholarship to ensure a robust proportion of awardees.

Table 9: Clarity of Change Agents' Goals and Preferences

	West Virginia University	Concord University	Marshall University
Clarity of Change Agents' Goals and Preferences	Clear: grow enrollment with a better academically prepared student. Believed they had an opportunity to increase their share of PROMISE scholars by enhancing the scholarship with institutional grants	Clear: grow enrollment within the context of their service-oriented ethos. Believed they could maintain their share of PROMISE scholars by enhancing the scholarship with institutional grants.	Unclear: general assumption was that the PROMISE scholars would come to them. Believed they could grow their share of PROMISE scholars by maintaining current practices.

Each administrator interviewed at West Virginia University indicated that increasing their enrollment with a better prepared student was paramount at the university

and a primary goal moving forward. Due to their status as the flagship university, WVU

saw an opportunity to leverage this state scholarship that covered all tuition and

mandatory fees towards meeting their institutional goals. One administrator noted,

"While we would have preferred these funds come in the form of a general appropriation,

we absolutely thought we could make hay with this program."

Concord University also had an aspiration to grow their enrollment; however,

they also realized that the population demographics within southern West Virginia were

working against this objective. This scholarship allowed them to diversify the student

population that they were now able to pursue. With PROMISE helping to subsidize the

education of better academically prepared West Virginians, they turned their attention to

both out-of-state and international students within their scholarship packaging strategy.

Concord also stressed an ethos of service learning and giving back to the community in

which they were located. They continued to build upon this philosophy post-PROMISE.

Goals and preferences were not as clear at Marshall University. As noted in their

case study, there was a plethora of activity and efforts to implement national best

practices, but these attempts were not focused in a particular direction. They were

described by staff as a compilation of "bright and shiny objects" that were never linked

together by school leadership in a meaningful way. School resources declined, but the

number of initiatives only grew. Unlike WVU and Concord, Marshall officials did not

try to build upon the PROMISE award to further entice scholarship recipients to attend

their school. Several university administrators reflected upon this approach concluding

that they had been wrong. In hindsight, several university officials believed that a more

aggressive strategy would have been a better tactic.

Relationship of problem-identification and change processes

Campus context plays an important role in determining the response of each postsecondary institution to the advent of PROMISE. Previous campus strategies, one's perspective regarding PROMISE impact, and other campus and state policy shifts all appear to contribute to the relationship between the identification of the problem and the change implemented. These factors help determine the balance between perceived choice and determinism within a campus response. While organizational choice can be viewed as both a cause and consequence of environmental influences (Weick, 1979), the ability of a campus to clearly identify a perceived problem and apply a change process should result in an approach that can be measured and communicated to those who must enact the change. Failure on this front often results in a muddled landscape due to perceived environmental constraints too vast to overcome.

At West Virginia University, the response to PROMISE can be viewed as a strategy that was a continuation of an effort to address two previously identified problems – the need to generate more revenue and attract better students in order to increase their stature as a research university. There was a general belief that state appropriations, at best, would remain flat. As one administrator noted, PROMISE provided an "afterburner effect" for these efforts to increase enrollment. Their change strategies within financial aid became an integral component of these efforts to grow.

Table 10: Relationship of Problem-Identification and Change Processes

	West Virginia University	Concord University	Marshall University
Relationship of Problem-Identification and Change Processes	Strong relationship. The overall concerns, a need to generate more revenue while increasing academic standing, were addressed by growing enrollment. The strategy for this solution was targeted financial aid offerings.	Strong relationship. The university continued to utilize its strategy of generous awarding of financial aid including enhancing PROMISE with institutional grants.	Weak relationship. Many shifts in the policy landscape created an environment leading to an unclear strategy.

Several Concord University officials conveyed that they were uncertain whether the PROMISE legislation would actually pass. Nonetheless, the institution was able to respond quickly largely due to the fact that a change in institutional mission or goals was not required. Their strategy had been one of growth and PROMISE only served to adjust the specific students served with their generous institutional financial aid packaging. There was a strong relationship between this change strategy and their identification of a potential problem if they failed to make adjustments to their financial aid strategy.

Marshall University had difficulties coupling the identification of a problem with a solution largely due to the fact that they made a false assumption that PROMISE recipients would naturally choose to attend their university without extra financial incentives, and campus officials were also having to simultaneously address another major policy concern – the splitting away of their two-year programs as a component of a new community college system. While both issues played a role, the primary issue was that Marshall administrators, generally, did not anticipate the advent of PROMISE as the

cause of a problem. There was an assumption that the university would continue to attract the same, if not higher, numbers of highly academically in-state residents as a result of West Virginians who now would choose to remain in-state. This notion resulted in a failure to consider programmatic add-ons to PROMISE that might further incentivize student attendance. Consequently, the university attracted 23.6 percent of public four-year PROMISE scholars in 2002 and only 20.8 percent in 2006. The enrollment numbers lost from the two-year campus split have never been recovered.

Pace and predictability of change

The pace and predictability of change is strongly related to an institution's understanding of their goals and objectives and, consequently, the strategies utilized to implement them. Clear goals also allow for a more defined strategy that is measurable based on desired outcomes. Researchers have attempted to gauge and describe the change process. Lewin (1947) describes change as a process that goes through three phases: unfreezing, moving, and refreezing. The pace can vary but a well-conceived strategy should have a greater degree of predictability. Isabella (1990) advocates for developing a model that lays out how change might be interpreted in order to understand any potential resistance to the process. In both of these instances, great importance is placed on understanding the change process in order to add clarity and better oversight to the process.

While change does not necessarily require a fast pace, a quick response is deemed as desirable in the analysis of these case studies since the disbursement of PROMISE scholars is a zero-sum game with each campus wanting to maximize its share. Change

research has also indicated that a quick response can also lead to larger short-term gains (Haveman, 1992). Both West Virginia and Concord University had defined goals that resulted in the ability to quickly pivot and adjust to PROMISE's introduction. However, Marshall University was mired in a host of campus issues and lacked a clearly articulated strategy moving forward.

Table 11: Pace and Predictability of Change

	West Virginia University	Concord University	Marshall University
Pace and Predictability of Change	Fast pace. A high level of predictability based on predetermined goals, objectives, and strategies.	Fast pace. A high level of predictability based on predetermined goals, objectives, and strategies.	Slow pace. Unpredictable due to no clear direction or strategy being communicated from senior leadership.

West Virginia University's goal of increasing enrollment allowed its administrators to implement certain strategies that existed well before PROMISE. Campus administrators were already in the process of analyzing student/faculty ratios, laboratory facilities, the availability of student housing, and classroom capacity in order to determine how to best utilize this goal to generate the needed revenue to advance their university. Their employment of the Noel-Levitz Enrollment & Revenue Management System to more specifically target their financial aid further refined their pace and predictability. With an objective of growing enrollment with the best qualified students possible. WVU was able to assess what was covered by PROMISE and then expend their own resources to enhance this scholarship while also aggressively targeting other populations from inside and outside of West Virginia's borders. The targeted populations could be changed annually based on the previous year's data as well as trend data.

Concord University also shared this WVU goal of growing their enrollment to help finance their institutional efforts. As with WVU, there was a belief that competing state interests would prevent any meaningful increases to state appropriations for higher education. Their strategy was largely based on an understanding that Concord needed to supplement about one-third of tuition increases through their own financial aid offerings. Officials contended that their generous provision of financial aid kept them competitive with West Virginia's more academically competitive students. Since these goals and strategies were developed prior to PROMISE, it was largely seen as a non-event. While some officials articulated that these resources could have been expended in a more efficient manner of financial aid, Concord was ready to act. Their actions reflect their institutional goals.

The pace of change was much slower at Marshall University due to the fact that administrative leadership did not anticipate a real need for change on this front. This fact, combined with no clear direction or targets being communicated from senior leadership to the functional divisions, resulted in a continued scattershot approach of pursuing best practices with no clear objective. There is evidence of programmatic changes with the arrival of a new president in 2005. New financial aid programs were instituted in an effort to ameliorate the loss of enrollment experienced in 2002 with the creation of the community college system.

Relative influence of individuals as change agents

The PROMISE Scholarship program was created at a time when there was considerable transition within public higher education governance in West Virginia. In

2000, Senate Bill 653 disbanded both the Board of Trustees of the State University

System of West Virginia and the Board of Directors of the State College System of West

Virginia. The West Virginia Higher Education Interim Governing Board was created

effective June 30, 2000 with the intention of campuses gaining their own governing

boards the following year and state oversight being provided through the newly created

West Virginia Higher Education Policy Commission.

This set of circumstances could very well result in an environment where

individuals are not valued or are incapacitated as change agents. The overwhelming

barrage of external influences could potentially drown out the voices of these campus

change agents. However, Fox-Wolgramm et al. (1998) note that sustainable change must

be consistent with organizational identity. Campus leaders are charged with maintaining

this balance between higher education culture and positioning the institution to thrive and

be viable in an ever-changing world. Researchers can best examine the strengths and

weaknesses of an individual as a change agent through a leader's ability to act and yet

maintain this balance. Interviews with administrators from each campus present varying

recollections and interpretations of the impact of this structural shift with, once again, a

similar account taking place within WVU and Concord while the impact was quite

different at Marshall University. In each case, one can examine the role of the individual.

Table 12: Relative Influence of Individuals as Change Agents

	West Virginia University	**Concord University**	**Marshall University**
Relative Influence of Individuals as Change Agents	Strong influence. Clear presidential goals that are implemented by an Enrollment Council.	Strong influence. Clear presidential goals that are implemented by a senior cabinet.	Weak influence. Presidential goals are not clear and there is no evidence of influence from other potential change agents.

Leaders at West Virginia University did not recall that this shift in governance and the implementation of PROMISE occurred at the same point in time. There was a general belief that the campus boards did not come into existence until later. This decoupling of the two events, PROMISE and the change in governance structure, demonstrates that the types of changes that were implemented at WVU due to PROMISE fell strictly within the purview of President Hardesty and he felt no pressure or interference regarding a specific university response. He had relative autonomy to guide his staff in the manner that he believed to be most beneficial in meeting their institutional goals. There was also the dynamic of a collective influence of individuals represented through the senior level Enrollment Council. They served as the body that carried out the goals as articulated by President Hardesty. The actions of the president and this council serve as the two entities that have observable influence.

There was a similar dynamic at Concord University where President Beasley served as the change agent with a senior cabinet that carried out the expectations through oversight of their functional areas. This university also had a similar perspective to that of WVU regarding the establishment of individual campus governing boards. The general belief was that they did not yet exist. Upon discovering that the Board came about simultaneously to PROMISE, the consensus was that the Board of Governors had no active involvement in the decision-making process and these decisions fell squarely to President Beasley who was consistently acknowledged as the change agent by each interviewee.

No change agents were readily identified at Marshall University. Changes were not immediately implemented due to a lack of perceived need to move in an alternative

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direction. There was also a different relationship between the Board of Governors and university president on this campus compared to WVU and Concord. Interviewees consistently recalled the Board of Governors coming into existence at this time and that certain members were vocally displeased with President Angel's overall performance. There was an antagonistic relationship between President Angel and a faction of the board. Campus officials presented a general perception that the president was mired in a host of campus concerns and did not effectively utilize the collective skill set of senior leadership to create a strategy to move forward.

Outcomes of change

Not all change is the same. The magnitude or effects differ based on the type of change and the perceived implications for the stakeholders. Waters et al. (2003) label the two major types of change as first-order and second-order. First-order change is more technical in nature. It does not impact the dominant norms or values within the organization. Second-order change conflicts with prevailing norms and requires a significant level of adaptation such as leaning new approaches or skills (Waters, Marzano, & McNulty, 2003). Although the types of change were quite different within each case study they all are categorized as first-order, or technical, changes. The advent of the PROMISE scholarship did not lead to cultural shifts or new organizing principles on any of these three campuses. Each university worked within its current environment to move its mission forward.

Table 13: Outcomes of Change

	West Virginia University	Concord University	Marshall University
Outcomes of Change	First-order change. The implementation of minor adjustments and improvements. The creation of a new strategy for awarding financial aid and a protocol alerting scholarship recipients to eligibility requirements and status.	First-order change. The implementation of minor adjustments and improvements. The creation of a new scholarship program as well as a strategy for enhancing the PROMISE scholarship.	First-order change. The implementation of minor adjustments and improvements. PROMISE scholars were reminded of the academic criteria required to maintain the scholarship. Larger programmatic shifts occurred in 2005.

West Virginia University developed a more refined approach to their utilization of available financial aid dollars. Although they used an outside entity, Noel-Levitz, as a consultant, university administrators possessed the skills and knowledge needed to implement the resulting strategy, so these efforts fall within the category of first-order change. Also, the objectives aligned with their current mission and institutional values did not shift. Some of these institutional funds were also added to the state-funded PROMISE award to incentivize these recipients to choose WVU instead of another in-state option. Other minor changes that took place centered on the university's provision of information pertaining to scholarship retention. Thirty credit hours had to be earned each academic year as well as a minimum grade point average of 2.75 after year one which jumped to a 3.0 cumulative average for each of the remaining years. This credit hour requirement was above and beyond the 12 hours per semester needed to be

classified as a full-time student, so this difference was communicated multiple times to

PROMISE recipients and their families.[5]

Similar to WVU, Concord University also provided additional funds to the state-sponsored PROMISE award by creating the PROMISE Plus Scholarship. This award was an effort to incentivize attendance from these more academically prepared students. Beyond this strategy, university officials also developed the Concord College Community Service Covenant Scholarship which provided a financial aid avenue for out-of-state and international students. This program was in keeping with the university's ethos of community service and giving back to the community. Concord officials also adopted the practices of informing PROMISE recipients of award renewal requirements.

Outside of the development of a process to notify PROMISE scholars of renewal requirements, few changes were implemented at Marshall University in the years immediately following the scholarship's inception. Most notably, the award was not enhanced as it had been at both WVU and Concord. In 2005 Marshall did make adjustments to their financial aid programs with the arrival of a new president. A myriad of smaller scholarship programs were consolidated into a single program aimed at attracting out-of-state students who possessed a level of preparation that indicated they could succeed academically at the university.

It should be noted that the environmental conditions at Marshall University presented the clearest opportunity for implementation of a second-order change solution. The change in governance structure combined with a loss of enrollment and revenue

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[5] A study conducted by Judy Scott-Clayton (2008) found that these programmatic requirements of a minimum grade point average and 30 hours resulted in an overall increase in grade point average as well as a 6.7 percentage point increase in four-year BA completion rates. Impacts were found at the specified thresholds.

created conditions that could have been perceived as a crisis requiring a much broader

campus response; however, this solution did not materialize.

Nature and extent of rationality exhibited by change agents

Each campus examined exhibited qualities of a rational response in how it chose

to react to the creation of the PROMISE Scholarship program. Rationality is most

commonly equated with the evolutionary change model (Kezar, 2001), and these changes

tend to fit within the current structure of institutional operations. Although these specific

campus responses differed in many ways, each was reasoned based on the campuses'

understanding of the scholarship's impact. West Virginia University and Concord

University officials presumed that they needed to enhance PROMISE's financial offering

with institutional aid in order to maximize their student numbers within this category.

However, Marshall University did not perceive this need.

Table 14: Nature and Extent of Rationality Exhibited by Change Agents

	West Virginia University	**Concord University**	**Marshall University**
Nature and Extent of Rationality Exhibited by Change Agents	Rational response. Adjustments were implemented with an objective of using financial aid savings to further institutional goals.	Rational response. Adjustments were implemented with an objective of using financial aid savings to further institutional goals.	Rational response. There was very little initial response due to a lack of a perceived need.

West Virginia University was extremely rational in its change process. The goals

of increased enrollment with the best quality student possible were addressed through the

Noel-Levitz matrix and the enhancement of PROMISE awards. Outcomes were

evaluated and adjusted where needed. The university succeeded in growing its enrollment by 19 percent between 2001 and 2006. ACT scores also rose as well as the proportion of PROMISE scholars who chose to attend WVU.

Concord University also exhibited a rational approach to change. They monitored state-level data to ascertain whether they were growing and the academic quality of this growth. Campus administrators also utilized their understanding of financial aid to award students at a level they believe necessary in order to assure attendance. Their number of PROMISE scholars declined slightly but remained fairly stable.

As Marshall officials stated, there was not a perceived need to make adjustments, so maintaining their current policy was rational. Once they quickly realized immediate declines, the campus president was embroiled in controversy with the university's Board of Governors that resulted in his stepping down in 2004. These dynamics resulted in a delayed change process, but the response was rational given the existing context.

Cross-Model Analysis

This section examines how each of the three theoretical frameworks - evolutionary, teleological, and cultural - intersects with the seven analytical dimensions that serve to provide a deeper understanding of the change process on each campus examined. These findings are presented through two types of analysis. First, a detailed table reports the degree to which each postsecondary institution utilizes the seven dimensions of each theoretical framework. Second, relying on the explanatory power revealed within the resultant 63 cells of this table, I examine the ability of each theoretical framework to inform one's understanding of the change process.

Table 14 reports the findings pertaining to the ability of each of the three theoretical frameworks to explain the change process on each campus through the lens of the seven analytical dimensions. Since each of the three theoretical frameworks was chosen for its unique explanatory capabilities, the results should favor one framework over the others within each of the seven dimensions. However, it should be noted that, on occasion, more than one theory might anticipate a similar outcome for a dimension. For example, when one tries to discern the rationality of a change agent, both the evolutionary and teleological frameworks support a rational response. The nuances of each framework are revealed through the examination of the actual process and results pertaining to the change.

The explanatory power of each framework is noted through a three-level scale of high, medium, and low across each of the seven dimensions. Each level of explanatory power was determined through an examination of the within-case and between-case findings. For example, the evolutionary framework suggests that the *clarity of change agents' goals and preferences* is to maintain equilibrium. Specific preferences are unclear within the framework. This categorization fits most closely with Marshall University. The teleological framework describes these preferences as consistent, clear, and based on pre-determined data which aligns most closely with West Virginia University and Concord University. These alignments serve to present an overall structure to best explain the change process at each postsecondary institution.

Table 15: Explanatory Power of Theoretical Frameworks

Analytical Dimension	Evolutionary			Teleological			Cultural		
	WVU	CU	MU	WVU	CU	MU	WVU	CU	MU
Stimulus for Change	Mod	Mod	**High**	**High**	**High**	Low	Mod	Mod	**High**
Clarity of Change Agent's Goals and Preferences	Low	Mod	**High**	**High**	**High**	Low	Mod	Mod	Mod
Relationship of Problem-Identification and Change Processes	**High**	**High**	**High**	**High**	**High**	Low	**High**	**High**	Low
Pace and Predictability of Change	Low	Low	**High**	**High**	**High**	Low	Low	Low	**High**
Relative Influence of Individuals as Change Agents	Low	Low	**High**	**High**	**High**	Low	**High**	**High**	Low
Outcomes of Change	**High**	**High**	**High**	Mod	Mod	Low	Low	Low	Low
Nature and Extent of Rationality Exhibited by Change Agents	**High**	**High**	**High**	**High**	**High**	Low	Low	Low	Low

Table 14 elucidates that each theoretical framework utilized has some capacity to describe the change process based on these seven dimensions. Since this dissertation aims to report change process instead of having each case study conform to a particular framework, each lens can be utilized to reveal a part of the whole. Appendix B provides a visual representation of how each model assists an understanding of the change process on each campus.

The evolutionary framework provides high explanatory power in 13 cells including all cases within the *relationship of problem-identification and change processes, outcomes of change* and *nature, and the extent of rationality exhibited by change agents* dimensions. The teleological framework supplies a high level of explanatory value for WVU and Concord within six of the seven dimensions. Marshall

did not score in the highest range on any of these dimensions. Finally, the cultural model furnishes explanatory power within the dimensions of the *relationship of problem-identification and change processes* and the *relative influence of individuals as change agents*.

This cross-model analysis indicates that each framework has the potentiality to explain varying aspects of the change process that takes place on these three campuses. While there is some overlap in scoring within the same dimension of different models, it is important to take a closer look at what might explain this phenomenon and then discern if one particular model is a better fit or if different models provide nuance to the change process. The following section takes a closer look at the explanatory power of each change model.

Evolutionary Framework

The evolutionary framework places great emphasis on the external environment as a factor (Morgan, 1986) with a desired result of homeostasis between the organization and this environment (Sporn, 1999). The change process and its outcomes are not as critical as the environmental conditions and maintaining equilibrium. The explanatory power provided by the evolutionary framework is most clearly evidenced within three sets of findings: (1) the relationship of problem-identification and change processes, (2) the outcomes of change, and (3) the nature and extent of rationality exhibited by change agents. Ultimately, the utility of this model is evidenced when examining the outcomes of the change process. While there are differences in this process on each campus, the resulting outcomes at all three universities are categorized within the arena of first-order

change which is evidenced by minor changes to structures and processes. There are no changes to overarching principles or campus culture.

An intended parameter for this dissertation is the timeframe examined within each of these case studies. I focused on change that occurred within a two-year period of PROMISE's implementation. This approach was adopted in an effort to uncover the changes that were directly in response to the PROMISE scholarship program. However, in the case of Marshall University, change that occurs beyond this two-year window is also addressed since there was very little immediate response to PROMISE as was discussed in chapter 6.

The high level of explanatory power within all three cases in regards to the *relationship of problem-identification and change processes* highlights that this dimension serves a minor role within the evolutionary model when compared to the *outcomes of the change*. The main objective within the evolutionary framework is to preserve or reestablish an existing or preexisting equilibrium. While the typical process between problem-identification and change within this framework tends to be reactive due to a de-emphasis on the role of the individual or leader, either a reactive or proactive response is possible as long as the goal is equilibrium. With this context in mind, this dimension allows for all three case studies to score within the high category even though they differ. The change process at Marshall University depicts a lack of reaction. There is no meaningful discernable response for several years before adjustments are finally made to financial aid programming. Conversely, both WVU and Concord were proactive in this problem-identification process. Each institution develops a strategy before there is a demonstrable problem as reflected through lost enrollment or revenue.

The category addressing the *outcomes of change* also results in a high level of explanatory power for all three institutions. Within this evolutionary framework, the outcomes are identified as first-order change which is defined as minor adjustments to structures and processes. Changes were made to existing structures in each case study. Campus personnel and existing structures were utilized in order to implement the change strategy. Kezar (2001) notes that second-order change is more likely to occur when an organization is responding to a crisis. The types of actions that must be taken are multidimensional and often result in change that is irreversible. This scenario does not apply to WVU or Concord, but could potentially apply to Marshall due to the multitude of campus conditions including a change in system structure that removed their two-year college component and, consequently, led to precipitous drops in both enrollment and state appropriations. However, this case study also resulted in minor first-order change, albeit delayed when compared to the other two universities.

The final dimension with a high level of explanatory power addresses the *rationality exhibited by the change agents*. The evolutionary framework calls for a high degree of rationality. With the ultimate goal being to establish or reestablish equilibrium, change efforts are specifically focused on this outcome. Although the ultimate objective of equilibrium is not the goal of all three campuses, this rationality is reflected in how each responds. Both WVU and Concord had previously set goals to grow their enrollment. WVU had the objective of wanting to increase their standing as a high-level research university while Concord wanted to offer their campus experience to more students and be able to fund their state-imposed salary schedules without having to lay off their current employees. PROMISE served to influence how each university set out

to achieve this objective, but they each maintained a data-driven rationality in its approach. Conversely, Marshall lacked an immediate response. Even this inaction can be viewed as rational since they did not envision a reason for change. University officials believed they were well positioned to garner a large share of PROMISE scholars. This assumption was simply incorrect. Once they realized that a response would be needed and the difficult political climate on campus was traversed, adjustments were made to financial aid programs similar to what was done at both WVU and Concord.

Teleological Framework

While environmental factors also play a large role within the teleological model, this lens provides a focus on the role played by the human element. While change is still largely rational and linear, leaders are actively involved and responsive to the need for change (Carnall, 1995). Although this model only presents unanimity on one of the eight dimensions, the teleological framework in many ways provides the most lucid explanation for each case study. While the case studies of WVU and Concord largely differ from the events that took place at Marshall, the evolutionary framework highlights a large degree of overlap between the three schools within the eight analytical dimensions. Conversely, the teleological framework more clearly distinguishes between the differences within these case studies. West Virginia University and Concord University parallel on each dimension while Marshall University differs from them on all except the dimension addressing the rationality exhibited by change agents. In each case, it is observed that each university responded in a rational manner.

One reason for the explanatory power exhibited within the teleological framework is that it highlights the role that individuals play within each institutional response. It is this key differentiation that allows for the high level of consistency between WVU and Concord and contrasts what is revealed at Marshall University. When one considers the dimension of the *stimulus for change*, both President Hardesty at WVU and President Beasley at Concord were actively involved in the change process. This quality was not as evident in Marshall's President Angel.

WVU and Concord both display forethought in their planning. At each university, an internal environment and structure existed that led to long-term goals and a structure that was responsible for driving these efforts. WVU worked through an Enrollment Council while Concord utilized a President's Cabinet. Having these structures in place and a set of overarching campus objectives allowed for much greater clarity of goals when PROMISE was implemented. Both campus leaders were able to develop a strategy that complimented their current institutional direction. Each strategy involved a plan to enhance the PROMISE scholarship's provisions to ensure student attendance at their institution while also targeting student populations outside of these recipients in an effort to take full advantage of the savings realized by this state-funded award.

Conversely, the overarching reality at Marshall was a void in leadership. This absence led to a context in which administrators were unsure of how to respond to this new policy. The Marshall University case study suggests that university officials were attentive to national best practices, but there was no overarching strategy or plan. Those interviewed described a president who was quite hands off and expected employees to do

their job while he did his. This structure did not adhere to a framework allowing for a quick, decisive response. There was not a senior leadership team that felt empowered to make these decisions absent President Angel's involvement.

This dichotomy between the differing roles of leadership within campus change response exemplifies the strength of the teleological framework. It highlights the role of individuals as change agents. The examination of their presence or lack thereof, provides a window into the change process that would not be as evident without this structure.

Cultural Framework

The cultural model is most unique from the other two lenses. While these other two approaches focus on rationality and norms, the cultural model allows for the irrationality and complexity of a change process (Kezar, 2001). The cultural framework provides the least amount of explanatory power regarding the change process in the three case studies. In many ways, it is the antithesis to the evolutionary framework. While the evolutionary model strives for stability and equilibrium, the cultural framework results in a new campus culture or mission. Although the potential existed for large scale change to occur on these campuses that might result in significant shifts in meaning or mission, this outcome was not realized.

As Kezar (2001) notes, paradigm shifts are uncommon on college campuses. The reality is that most colleges and universities are steeped in tradition. This shared history often is a lure to those who pursue a career in this arena, so there is often an ingrained resistance to change – especially large-scale change that might threaten this shared meaning. Many studies in this area point to the fact that this institutional history and

tradition create an environment that makes change difficult (Birnbaum, 1991; Cohen and March, 1991).

With these underpinnings in mind, it is no surprise that West Virginia University and Concord University both built upon existing meaning and tradition instead of moving in a contrary direction. WVU is considered the flagship institution in West Virginia. It has the highest academic profile and robust research opportunities of the public colleges and universities. President Hardesty and the Enrollment Council were building on this shared meaning in trying to attract more PROMISE recipients as well as thoughtfully grow enrollment in a manner that would create efficiencies to grow their capacity as a research institution. Administrators commented on the type of lab space and amenities needed to attract the top students and professors. With a specific objective of attracting better academically qualified students to their campus, the potential existed to change campus culture based on the dynamic that an alteration in demographics could create, but this type of outcome was not realized within this dissertation.

Concord University officials wanted to build on its ethos of service learning as well as a belief that the university was able to consistently attract some of the state's better prepared college applicants due to their generous financial aid program. They demonstrated their commitment to service learning through their Bonner Scholars Program as well as their establishment of the Covenant Scholarship Program which had a semesterly service requirement. They built on existing tradition and meaning instead of trying to establish a new culture or direction. University administrators also chose to add on to PROMISE in an effort to attract PROMISE scholars to Concord's campus. Several interviewees articulated a pride in the fact that Concord University, a small, rural college

that provided access to students of all preparation levels in West Virginia, was able to both attract better prepared students and place them into graduate programs.

In 2003, the Wall Street Journal ranked Concord University 13th nationally regarding undergraduate colleges and universities who placed their graduates in the most selective graduate schools. One campus professor commented, "I think our ranking demonstrates the ability of our small state college to provide students with a world-class liberal arts education. It demonstrates the results that can be produced at residential colleges with small class sizes which focus on reading and scholarship rather than mere vocational training." (Concord University, 2003). The fact that this Wall Street Journal report coincided with PROMISE's arrival provided more credibility to Concord's efforts to develop a strategy to retain as many of these better prepared students as possible. It played into the existing belief system of both faculty and administrators.

Marshall University rated within the high category in the dimensions of *stimulus for change*, *relationship of problem-identification and change processes*, and *pace and predictability of change*. The cultural framework aligns with a process that is responsive to an alteration in the external environment, reactive to a problem, and unpredictable. While Marshall is reactive to an alteration in the environment, it was not as much PROMISE as it is the loss of enrollment and the associated loss of student and state revenue. These deficits create an immediate problem. The process was unpredictable due to an unstable campus environment combined with a lack of internal structure or processes that would have provided an opportunity for continuity even in the face of turmoil. There was a "wait and see" dynamic on campus while the situation stabilized. This stabilization ultimately occurred in late 2004 with Dan Angel stepping down as

president. Actions were quickly taken by interim president, Michael Farrell, to assess

campus needs with assistance from Noel-Levitz. His efforts were then complimented by

the next president, Stephen Kopp, who adjusted financial aid programming to provide a

more targeted approach similar to what was implemented at both WVU and Concord.

CHAPTER 8

CONCLUSION

While institutions of higher education are often perceived as silos or ivory towers impervious to the vacillations of an outside world, the reality is that campuses are more interconnected than ever to decisions made outside of their gates. Consequently, an internal response to outside decisions is often a necessity.   The use of a theoretical framework or lens to examine the campus response process can result in greater understanding and a more thoughtful decision making process at both the state and campus levels. This dissertation attempts to address the understudied terrain of higher education response to outside influences. The final chapter provides an overview of the study, presents key findings, and offers implications for future research and policy.

Review of the Study

The purpose of this dissertation is to examine institutional response to a state policy change – the implementation of West Virginia's broad-based merit aid program known as the PROMISE scholarship. A comparative case study design was utilized to analyze the change response at three West Virginia public colleges, West Virginia University, Concord University, and Marshall University. Three change theories – evolutionary, teleological, and cultural (Kezar, 2001), are employed to frame the analysis and to provide explanatory power to these campus change processes through existing change theory. Specifically, the two guiding research questions that directed this

dissertation are: 1) How do three West Virginia universities respond to the implementation of the PROMISE scholarship program; and 2) How does existing organizational change theory help explain institutional change responses?

Three key considerations led to the development of this dissertation topic. First, as noted by Kezar (2001), an increasing level of change is being required of higher education. West Virginia was experiencing a considerable amount of state-level policy shifts during the same time frame that PROMISE was created. A separate community college system was established in 2000 by the state legislature and, in 2002, public four-year colleges were granted their own governing boards. The PROMISE program increased financial aid funding in West Virginia from 21 million dollars in 2001-02 to 46 million dollars during the 2003-04 academic year. There was a lot at stake.

Second, change theory within higher education is an understudied arena. Kezar (2001) posits that a "distinctive approach" to change is needed due to higher education's unique traits. Birnbaum (1991) provides a listing of these traits that includes but is not limited to the unique culture of the academy, shared governance, goal ambiguity, and employee tenure. This dissertation seeks to further research addressing the ability of existing change theory frameworks to provide explanatory power to this change process.

Finally, there is a dearth of research examining change response to state merit-based scholarship programs. The number of states adopting this financial aid approach continues to grow, but the literature lacks systematic consideration of institutional response to these multimillion dollar policy shifts. These programs have been examined from the vantage point of their effects (Heller & Marin, 2004; Dynarski, 2000) and the

policy process (Ness, 2008); however, limited attention has been given to institutional response.

Utilizing archival documents, institution data, and data collected from 26 campus interviews, Chapters 4, 5, and 6 present case studies describing the change process that occurred on each campus in response to the PROMISE scholarship program. Each case reports the changes that occurred on the campus under examination through a narrative of events that are then examined through seven analytical dimensions of the framework outlined in Appendix B. Chapter seven furthers the examination of this change process by utilizing a cross-case and cross-model methodology across the seven dimensions and three change theories. Finally, this chapter concludes the dissertation by presenting key findings and providing recommendations for future research as well as policy recommendations for state and campus officials.

Findings

The examination of the campus change process utilizing the evolutionary, teleological, and cultural change theories revealed seven key findings. These outcomes highlight the import of the evolutionary and teleological frameworks when examining the response to merit-based state financial aid on these three campuses. The seven analytical dimensions assist in providing a structure by which these changes are examined.

First, the two schools that were able to clearly articulate a campus strategy that existed prior to PROMISE, West Virginia University and Concord University, responded more quickly and decisively to the policy shift. This ability to pivot and realize short-term success aligns with Haveman's (1992) findings regarding the response of

California's savings and loans industry to legislative action. Those who quickly adjusted achieved short-term success. Both campus strategies involved an increase in enrollment for different stated reasons. WVU was able to capitalize on growth within the PROMISE segment of their student body to increase their academic profile while Concord staved off any significant declines to preserve their diversity in student academic profile while also bolstering their emphasis on service through the scholarships offered with their campus financial aid resources.

Second, the teleological framework provides great explanatory power regarding the role of individuals in the change process. By definition, this model focuses more keenly on the internal environment in the change process. This change theory provides a lens through which one can examine the role of each campus president and his senior leadership team. Each case study elucidates the actions, or inactions, of these leaders that, consequently, are critical to the resultant change process. The teleological model provides a needed framework in order to understand and assess the roles played by these campus leaders.

Third, the outcomes of change at each institution were all minor, first-order change. While there was variability in the strategies employed, none of the change strategies resulted in cultural or second-order adjustments. These results coincide with both the evolutionary and teleological change theories. The potential for the PROMISE scholarship to have both significant financial ramifications as well as to shift student demographics suggest the possibility for new structures and organizing principles to be established as well as a new culture, but none of the archival materials or data from interviews indicates this outcome. Previous research proposes that postsecondary

institutions are often resistant to change (Winston, 1999; Sporn, 1999). They possess a set of unique characteristics and values (Birnbaum, 1991) that buffer the organizational responsiveness that might be rationally anticipated. In keeping with these observations, large scale change does not occur within any of the case studies examined within this dissertation. One could hypothesize that WVU might consider their change process to exemplify a cultural shift as institution officials aspired for a more academic-centric university with an expanded catalogue of graduate offerings; however, the actions and vernacular that might be utilized to indicate this type of shift were absent. The change was a much more pragmatic effort to garner resources for campus growth. School officials had already internalized the mindset that WVU was the state flagship and a top-tier research university. PROMISE allowed them to reap more of the academically competitive students to build upon this identity.

Fourth, there was no evidence suggesting a cultural shift at any of the three campuses. This finding aligns with the notion of a general resistance to large scale change at most postsecondary institutions. Change responses that occur might actually strive to prevent a cultural shift instead of move towards one. Clarke et al. (1996) conducted a study addressing receptivity to change at 53 Carnegie Research I universities. They concluded that change is often resisted, even if perceived to be in an organization's best interest, if an individual perceives his or her best interest to be threatened. In the case of Concord University, several respondents expressed a concern regarding the ramifications of losing better prepared students by not maintaining their share of PROMISE scholars. They worried about the implications to their financial well-being as well as campus identity and ethos. Administrators did not verbalize a perceived

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opportunity to add to this share of PROMISE scholars. They simply did not want to lose these better prepared students that they believed themselves to be effective at attracting. This loss of students would result in a loss of identity that they did not want to entertain. Campus administrators were quite realistic in their market niche and the difficulty they would have in competing directly with universities such as West Virginia University. Concord was proud of its heritage and identity. Administrators wanted to preserve the core of what they perceived made their campus unique.

Fifth, a change response, or lack thereof, can be attributed to other policy changes that compete for the attention and resources of postsecondary institutions. Meyer et al. (1990) concluded that more dramatic change usurps the more typical process of evolutionary change when an organization faces meaningful external policy shifts. Two major policy shifts that were implemented in West Virginia during the same time frame as PROMISE's inception were the development of a separate two-year college system and the creation of a Board of Governors for each campus. While neither of these developments appears to have impacted West Virginia University or Concord University in a meaningful way, both developments created a difficult environment for Marshall University. The creation of the two-year system resulted in lost enrollment and revenue while the establishment of a campus board quickly led to presidential scrutiny by an entity with the power to decide the length of his tenure. In the case of Marshall, these policy developments confined the parameters available to the existing administration as resources declined and external pressure intensified. As one campus official observed, "It's tough to chart a clear path when you're in the middle of a storm."

Sixth, a policy shift that creates a zero-sum scenario pertaining to student inputs and revenues results in a competitive environment inhibiting the sharing of information or strategies. While officials on each campus looked to earlier merit-aid adopters such as Georgia, these same officials did not consult with their equivalent peers at other institutions. Higher education committees comprised of chief financial officers, registrars, academic deans, and student affairs personnel met regularly, but administrators on each campus indicated that there was little discussion pertaining to their change response and strategies around PROMISE with fellow administrators on other campuses. While a certain level of reticence to discuss policy might be anticipated at any given time due to a limited pool of in-state applicants and resources, state policy that further bolsters a lack of communication should be carefully considered within a state higher education system that, ultimately, looks to serve the postsecondary needs of an entire state.

Finally, there is evidence that the institution's presidential context matters regarding the change process. Becker et al. (1996) note that the ability of a leader to utilize loyalty to enact change can be critical to success or failure, while Dean et al. (1998) note that assessing and reducing employee cynicism is a vital component to success. Evidence of presidential leadership in two cases aligns with these findings. Both West Virginia University and Concord University had well established presidents when PROMISE was created. Native sons David Hardesty and Jerry Beasley led at their institutions for seven and seventeen years respectively and were in good standing on their campuses when PROMISE was created. In contrast, Dan Angel had been at Marshall for two years and interviews indicated that his tenure had been unstable. The pressure on him intensified with the establishment of their Board of Governors and he stepped down

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from the presidency in 2004. State systems and campus boards need to consider this presidential context when policy shifts occur that potentially result in large-scale change. State systems need to consider whether each campus is equipped to respond in a manner that will benefit its student body and surrounding community.

Areas for Future Research

The findings presented in this dissertation open up avenues for future research. First, one might examine the impact of university board members on this type of change process. Contextual change research addresses the importance of both the internal and external environment on the change process (Meyer et al., 1990). Board members often reside with one foot in each realm. Many states appoint board members through gubernatorial appointment or legislative approval, but these same individuals also often have close ties to the institutions and communities in which they serve. Nationally, there are a variety of manners by which boards are appointed as well as the power they can exert on campus officials. Analytical dimensions could include the method of appointment, the general scope of duties, and the ability to censure or remove the president. This significance of the dynamic between campus presidents and their boards could vary depending on how these appointments occur and whether the board members feel beholden to a governor, legislative leadership, or the president. A fuller understanding of these dynamics could shed light on this interplay and the resulting change that occurs.

Second, a fuller understanding of the university president's tenure and general acceptance by key constituent groups on campus should be developed in order to better

comprehend and explain the dynamics of the campus change process. This dissertation indicates that the presidential role is pivotal. Schabracq and Cooper (1998) observe that employees often develop automatic responses to their work and life events which provide a sense of control; however, uncertainty can lead one to question his or her response. Leadership can serve to bridge this gap. Based on these findings, one hypothesis might be that a well-established president is more likely to have accrued the capital needed to either make a large-scale change or at least make changes in a timely manner. The familiarity of the president with the campus and its processes as well as the trust and support he or she has secured are important factors in one's ability to conduct large-scale change. A study of this nature would have the president as the unit of analysis and the introduction of the merit-based policy as the context. Institutional type and size would also serve as key variables in examining the president's ability to enact change as well as observations from key constituent groups such as faculty, staff, students and board members addressing their perceptions of the president and any strengths or shortcomings.

Third, future research should examine the role played by faculty in campus change processes as a response to merit-based scholarship programs. This dissertation did not point to any significant role in which faculty served to enact these changes. This finding is surprising in the sense that any decisions made regarding an institution's response to PROMISE have the capability to deeply impact the types of students and the future academic direction of a university. However, there was also no formal way for them to engage in the decisions that were made. The financial aid arena is largely outside of their purview. It would be illuminating to return to these campuses to ascertain, specifically, what faculty knew about this change process, whether they were engaged

and what they might have done differently. This follow-up might also build on the work of Clarke et al. (1996) who observed that faculty are generally resistant to change that negatively impacts them even if there might be a broader benefit to the institution. A meta-analysis within a particular state or across different types of institutions might help determine the types of changes faculty are involved in on their campuses. The reality is that any large-scale change is going to impact faculty in some form or fashion. A clearer understanding of their interaction in this process as well as their opinion could help bolster a fuller understanding of the change process.

Fourth, an examination of where and why cultural shifts occur might shed light on change processes as a response to state merit aid policy. This dissertation does not indicate a cultural shift on any of the three campuses that were examined. All change was first-order and did not overtly jar the existing campus culture. A study of this nature might start where these known cultural shifts have occurred within states that have also adopted merit aid programs or some other external large-scale policy shift. Changes to mission statements and master plans as well as the reflections of faculty, staff and students could serve as valuable resources to assist future campuses contemplating similar types of change. Another factor to consider would be the length of time between the policy shift and this cultural change. While this dissertation examines the years immediately following the implementation of PROMISE, it could be that a greater length of time is needed to realize changes of this magnitude.

Fifth, another area of consideration is the role that available campus resources play in an institution's ability to change. For instance, a college that has just taken out a 30-year bond to build a new academic building might not have the fungible resources that

could be invested in financial aid to more effectively attract a subset of applicants. In the case of Marshall University, they had recently expanded into the Charleston area through their merger with the West Virginia Graduate College. This acquisition greatly increased their overall operating expenses. The community college system was created three years later followed by the loss in state appropriations from these enrollees in 2002, the same year that PROMISE was implemented. A fuller understanding of the resources available on a campus could prove to be an accurate predictor of the scope of change options that are available. This research would build on Burke-Litwin's (1992) examination of predicted organizational performance where he posits that better modeling of environmental conditions provide a more accurate assessment of what change can be realistically anticipated.

A sixth area of future research might address the perceived viability of the state-level policy change that is occurring. Higher education is an arena in which potential policy changes are regularly discussed by both legislatures and state executive offices. One could examine the perceived likelihood of change by campus officials and how this perception correlates with an ultimate change response. One might assume that an institution that does not believe a proposed change will actually be implemented might have a slower or weaker change response if the proposal does indeed pass. School officials could be surveyed as a state considers a merit-aid policy. If the policy passes, the change response would then be examined and the details of these individual campuses responses could be compared to the initial perceptions in an effort to discern a connection. This line of research would build on Isabella's (1990) work examining how

potential change is interpreted, which would further our understanding of acceptance of and resistance to change.

A seventh potential area of future research is the role that campus officials' opinion of the suggested policy plays in the institutional response process. This topic differs from the sixth topic in that it does not address whether the campus officials believe the policy will or will not pass – it addresses their opinion of the merits of the actual policy. Astley and Van de Ven (1983) posit that there is a continuum between perceived choice and determinism. If campus officials believe in the policy and think that they have ability to affect real change, they might respond more aggressively when compared to those administrators who do not support the change or believe they have the capacity to address the issue. One viewpoint echoed on all three campuses is that state merit-aid scholarships are inefficient. Economically advantaged students are overrepresented within the pool of merit-aid recipients, and these students are more likely to have the resources to attend college whether they are awarded a scholarship or not. Without exception, each campus believed that they could have more efficiently distributed this financial assistance if they had been allocated a defined amount of funds to be strictly utilized for financial aid. The question that arises is whether this lack of belief in a policy tamps down the level of change response.

An eighth area of consideration is the examination of the role that existing state policy might play in the ability for a campus to respond to merit-based aid. For example, state limits on out-of-state student enrollment could impact the ability of a campus to respond to this change. Currently, roughly 50 percent of West Virginia University's freshman class comes from outside of West Virginia. However, a higher education

system such as the University of North Carolina system limits out-of-state enrollment to 18 percent of admitted students. With this context in mind, WVU could potentially have more policy options at their disposal. Another critical area is state policy pertaining to the use of institutional waivers. These parameters serve to guide what particular institutions can and cannot do in regards to policy shifts. Public higher education does not operate in the same manner as a free market. These restrictions should be noted, and an audit of existing policies and their constraints could be utilized to shape future policy by allowing a state legislature to more fully understand the potential ramifications of the policy it proposes.

Finally, an area of research that should be considered is the impact of the PROMISE scholarship on college access and affordability in West Virginia. Nationally, the nature of financial aid has shifted from 10 percent state merit-based in 1991 compared to 29 percent by 2010 (College Board, 2013). Although West Virginia is somewhat unique in that their financial aid offerings are balanced between need- and merit-based assistance, most states tend to adopt one approach over the other. Also, West Virginia's balance occurred after the rise of PROMISE when the legislature then increased their need-based spending. Previous studies have indicated that low-income and minority students are less likely to meet eligibility requirements for merit-aid programs (Dynarski, 2002; Heller, 2004). Given this context, one might consider the college-going rates and patterns of low-income West Virginians post-PROMISE when compared to pre-PROMISE rates. Scott-Clayton's (2011) quasi-experimental analysis of the effect of West Virginia financial incentives on academic incomes could be built upon to include the college-going patterns of low-income West Virginia applicants based on reported

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FAFSA data. The findings would inform higher education policy makers regarding potential unintended consequences.

Policy Recommendations

Just as I provide recommendations regarding future research, my dissertation yields policy implications for both state and campus officials. The following recommendations strive to add both clarity and efficiency to a meaningful change process. Each recommendation expands on findings within this dissertation.

First, the development and dissemination of significant campus initiatives to both state higher education agencies as well as state legislatures could serve as a useful strategy. Having a clearly articulated campus strategy proved beneficial for West Virginia University and Concord University when the PROMISE scholarship program was created. The clear, regular dissemination of these plans serves to share the course charted at the campus level. An understanding of these campus strategies might affect the policy considered and ratified by state legislatures with an eye towards supporting the change processes already in place on their state campuses. One possibility is the development of an annual campus update submitted to the state higher education governing body where key strategies and outcomes are reported. Each ensuing report would provide assessment on progress as well as include any new considerations. These plans could be endorsed by this agency and reported to the state legislature and state executive branch. Hopefully, this level of communication would lead to a more intentional process of policy change at the state level with a clearer understanding of the

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magnitude of change that would be required by campuses (Vollman, 1996) as well as their capacity to enact this change.

Second, every effort should be made to position campus leaders for success. With this objective in mind, structural approaches to achieving this outcome could be developed. Genuine buy-in from the numerous constituent groups who both rely upon and carry out the directives of the president will serve to reduce the cynicism (Dean et al., 1998) and increase the loyalty (Becker et al., 1996) of campus, community, and state leaders. One example of establishing a framework that best provides a president's chance to succeed with all constituent groups is reformation of the presidential search process. The proceedings should be transparent and include multiple constituent groups with the actual voting power to have their voices heard. Ultimately, attempts to circumnavigate the search process in order to shepherd in a favored candidate leads to division and a lack of campus-wide support. Clear support is needed to provide these leaders with the ability to manage a university, which requires agreement across a multitude of constituent groups. The search process should be thorough, inclusive, and specifically laid out in university policy. Specific elements that should be considered are the eligibility of interim leaders and at what stage in the process the list of candidates becomes public. Addressing this issue in a structural manner prevents favoritism or interpretation that can be utilized to further a specific agenda.

Third, states should devote the resources and time needed to perform a higher education policy audit. Legislation, rules, and regulations often develop over a period of decades where the ramifications of a new policy can affect or even contradict an existing policy. As Paulson (2007) notes, these policies can lead to confusion and present

impediments to campus and system progress. One possibility is to develop a state structure to formalize this policy review process. The state agency responsible for higher education oversight could establish a formal intake procedure for requests for clarity or to change contradictory policy. These requests would then be assigned to statewide working groups with expertise in the particular area under examination. They could include faculty members, campus administrators and state higher education officials. The recommendation would ultimately be reviewed by the body responsible for the policy with a final recommendation made to the chancellor, board, or leadership council. This process would clarify state and system policy intent allowing campuses to better understand and operate within a regularly changing higher education policy landscape.

Finally, states should develop a mechanism for considering the impact of the implementation of far-reaching state higher education policies. For instance, states are increasingly turning to performance funding models due to concerns about the current performance of higher education institutions (Dougherty & Reddy, 2013; McLendon, Hearn, & Deaton, 2006). However, many researchers are finding that these programs have a myriad of unintended consequences that include admissions restrictions in community colleges, a weakening of academic standards and institutional cooperation, and the unreimbursed costs associated with policy compliance (Lahr et al., 2014). Before such policies are adopted, a comprehensive review process should occur that involves in a formal manner all major constituent groups who are able to inform or are impacted by the policy under consideration. This step will insure that the recommendation is properly vetted as well as understood by all of those parties who will be impacted and required to comply with the outcome. Reality is that there is always be a political dimension the

higher education's policy making process (Ness, 2008); however, states need to consider a framework that will systematize the review of policy and how the various pieces intermingle.

Research and policy that addresses the issues described above will present a fuller understanding of the change processes that occur on public college campuses and their connectivity to state legislative policies. As greater linkages are being placed on connecting higher education funding with the number of college graduates as well as metrics pertaining to economic productivity, there should be increased emphasis also placed on understanding campus change responses. This area of research will also prove beneficial for higher education system offices and state governments who seek to provide a productive path forward allowing campuses to leverage their resources and expertise to educate future generations.

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Appendix A

Interview Protocol

1. How did you think the PROMISE program would impact your institution? Why?

2. Did you make any major or minor changes based on PROMISE in the following
    areas:
    a. Overall mission
    b. Academic Programs
    c. Financial Aid
            i.   Waivers
            ii. Institutional Scholarships
    d. Student Services
    e. Data Collection

3. On what level did changes take place? Presidential? Cabinet? Were Board members
    involved?

4. Were any of these changes data driven? If so, what did you observe? Did you begin
    to collect any different data or analyze your data differently as a result of PROMISE?

5. Were these changes based on anticipated effects? What did you anticipate?

6. Were there changes that were considered but ultimately not implemented? Why not?

7. Did you confer with colleagues in West Virginia, other states in general, or
    specifically states with merit aid programs? If so, what did you discuss?

8. Were there any plans or initiatives that had to be delayed or scrapped altogether due
    to the advent of PROMISE?

9. Do you think that the PROMISE program has benefited your campus? Why or why
    not?

10. Do you think the PROMISE program has benefited the state? Why or why not?

11. What changes would you suggest to the program that would most benefit your institution?

12. Are there any other key personnel on your campus with whom we should speak?

APPENDIX B

Comparison of the Explanatory Power of the Three Change Models

Analytical Dimensions	Evolutionary	Teleological	Cultural
Stimulus for Change	External environment; humans component plays a minor role	Leaders actively and intentionally respond; internal environment	Response to alteration in the external environment
Clarity of Change Agents' Goals and Preferences	The general goal is to re-establish or maintain equilibrium; specific preferences are unclear	Highly consistent and clear; largely based on pre-determined indicators and direction	Varies
Relationship of Problem-Identification and Change Processes	Change process can be reactive to the problem or anticipatory of a problem	Change process is reactive to an identified problem	Change process is reactive to an identified problem
Pace and Predictability of Change	Slow, gradual, non-intentional and unpredictable	Slow or rapid; purposeful	Long-term and slow; unpredictable
Relative Influence of Individuals as Change Agents	Very little influence;	Strong influence; the leader aligns goals, sets expectations, models, communicates, engages, and rewards	Individuals are important to the extent that they can shape shared meaning and mission
Outcomes of Change	New structures and process; minor adjustments and improvements (first-order change)	New structures and organizing principles; changes can be minor or major	New culture
Nature and Extent of Rationality Exhibited by Change Agents	Rational;	Rational; although subjective, they reflect intentionality	Generally irrational due to emotive motivations

APPENDIX C

2001 Institutional Demographics

	West Virginia University	Concord University	Marshall University
Student Headcount	22,774	3.055	16,036
FTE Enrollment	20,783	2,816	11,899
% Receiving Financial Aid	66.0	89.0	69.0
Average ACT Score	22.5	20.5	21.5
Tuition and Fees	$2,948	$2,724	$2,724
Retention Rate	73.1	60.3	51.3
Graduation Rate	55.2	29.9	35.2
State Funding per FTE	$10,585	$3,516	$5,872

*Data compiled from the Integrated Postsecondary Education Data System and the West Virginia Higher Education Policy Commission

APPENDIX D

Student Success Programming at West Virginia University

1. Career Success Academy – This program assists with many of the functions found in a campus career center but also connects students with alumni to assist with transition into the workforce as well as early career advice.

2. EXCEL -   This program specifically targets incoming freshmen with a high school grade point average between 2.0 and 2.6. They are required to attend a study skills class, attend study halls and regularly meet with their advisor.

3. Jump Start Academy – This program is a two-day series of activities immediately before classes begin for fall semester. "Survival tips" are offered including academic expectations and alcohol and health education.

4. Parents Club – This program was developed to establish a greater link between parents and the educational experience of their children. A toll free parent help line was established to help with questions with hard-to-find answers.

5. Operation Jump Start – Resident Faculty Leaders are assigned to each residence hall and enhanced programming in offered in these residence halls. These faculty leaders were senior faculty who lived near the residence hall, served as mentors, motivated students and assisted freshmen with their transition to college.

6. Structured Academic Year Program – This program is designed for second year students who would otherwise be suspended. They are required to live and study within a structured environment prescribed by the university.

7. Summer Transition Entry Program – This program is intended for at-risk entering freshmen. It is a year in duration and includes a highly-structured six-week residential summer session prior to the fall term of the student's freshmen year.

8. WVUp All Night – This programming took place on Thursday through Saturday evenings in the Student Center and was established as an alternative activity to deal with the growing alcohol abuse on college campuses. Activities included a comedy club, films, live music and free food offerings. WVU gained national attention for this program and more than 100 campuses have visited it with the intention to replicate its success.