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**Faculty Perceptions of Financial Constraint
at Public Colleges and Technical Institutes**

par

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INTRODUCTION

This paper presents results from a study by Pawlak (1992) of perceptions of financial constraint held by faculty members in public colleges and technical institutes in western Canada. Some comparisons are made against similar views of university faculty (Ell, 1988) and implications are drawn for the administration of postsecondary institutions in what appears to be a time of continuing fiscal pressure. The two studies have some features in common which facilitate comparison. Both are doctoral dissertations undertaken at the University of Alberta; they used a common, if not identical, questionnaire; and they sampled faculty in institutions in the four western provinces. It is almost platitudinous to state that we live in a time of financial constraint, yet it is not entirely clear what that implies or how faculty members perceive the problem—if there is in fact a problem. The two studies probed these perceptions and the Pawlak study attempted to document the reality of financial constraint—that is, the extent to which financial constraint is measurable and demonstrable. By comparing per student expenditures by province between 1984-85 and 1988-89 in constant dollars, Pawlak found that three of the four western provinces had restricted their levels of support. Most seriously affected were Alberta and British Columbia. The exception was Saskatchewan which revealed an increase in per student funding, but this was clouded by the fact that during the period in question Saskatchewan's funding ratio was more affected by a drop in enrolment than by an infusion of funds.

Interest in financial constraint emerged in the 1970s, producing a body of literature on the management of decline in organizations (see for example Levine, 1978, 1979; and Whetten, 1980). As recessionary forces impacted higher education, specific attention was turned to managing related problems in colleges and universities. Slaughter and Skolnic (1987) studied American institutions and found a steady decline in resources during the years following 1972, based in part on dwindling enrolments (Zammuto, Whetten, & Cameron, 1983). The least affected by funding cuts, or reduced rates of increase, appeared to be the large prestigious research universities which held out the hope that their continuing prosperity might, in turn, produce private sector growth. Nevertheless, Mortimer and Tierney (1979) predicted that institutions would be forced to deal with diminishing resources by reducing salaries, program discontinuance, and other means of retrenchment. Whetten (1981) confirmed Mortimer and Tierney's prediction by noting that the trend for postsecondary administrators was to focus on efficiency measures as a means of coping. Ashar and Shapiro (1990) reflected that the approach to coping with constraint tended to follow two alternative decision models, one based on rational choice and one based on consultative processes which appeared to be more ritualistic and symbolic than rational.

The American National Education Association (1991) in looking ahead predicts the continuation of hard times in academic life. They cited a conclusion from a national study conducted by the American Council on Education that "financial resources present the greatest challenge of any issue facing higher education in the years ahead" (p. 1).

On the Canadian scene, Slaughter and Skolnic (1987) stated that Canadian institutions had also suffered but noted that much variation in funding levels existed among the provinces. Dennison and Gallagher (1986) attributed some of the decline in funding community colleges to the general economic retrenchment of the mid 1970s. In Canada, the economy and political will appear to have greater impact on funding levels than does enrolment demand. A Report (Public Affairs Management, 1991) to The Commission of Inquiry on Canadian University Education offered the following insight into the political dimension of funding:

The view was expressed repeatedly that before governments would be willing to consider investing additional funds in universities they need to be assured that . . . universities are putting their own best efforts into rationalizing and streamlining their operations. . . . Most importantly, respondents said that (governments) need to know that universities are committed to change and understand why it is important. (Executive Summary)

Skolnic and Rowan (1984), however, reported that no substantial research had been undertaken on which to pin the reasons for financial constraint. This paper does not discuss reasons, but it reports perceptions of the present impact of constraint and probes faculty opinions on how constraint might be managed.

THE STUDY

The purpose of the study was to examine the perceptions and preferences of faculty members regarding financial constraint at their respective public colleges and technical institutes in Alberta, British Columbia, Manitoba and Saskatchewan. A questionnaire was administered in the fall of 1989 to a sample of 1,436 faculty members at 43 institutions. The rate of return was 53.7%, and it was considered to be representative of all provinces and both public colleges and technical institutes.

While there were some differences by province and by type of institution, there was more consensus than disparity among the views expressed. Faculty generally believed that financial constraint would last at least another three years, a condition which they considered to be detrimental in a number of aspects: to the quality of instruction, to faculty morale, to their socio-economic status, to their career aspirations, to the efficient use of resources, to their

effectiveness as instructors, and to the consideration of college priorities. Faculty also believe that financial constraint will decrease their voluntary activities and increase their outside employment. An interesting finding, which appeared also in the Ell (1988) study of university faculty, is that faculty members perceive that financial constraint has a more negative effect on the faculty collectively than on them personally as individuals. This raises the intriguing thought that there may exist an ideology of discontent as an organizational response by faculty to the fiscal policies of government.

Faculty respondents were asked to rate the acceptability of 65 means of dealing with constraint. The items were developed from the literature and on the notion that there are four basic approaches—cutbacks and reallocations, conservation and economy, innovation and expansion, and process measures such as lobbying government. Tables 1 and 2 display the ten measures most acceptable and the ten measures least acceptable to faculty in colleges and technical institutes, as well as comparisons with university faculty based on Ell's (1988) findings.

Table 1
Most Acceptable Measures for Dealing with Financial Constraint

COLLEGE RANK	MEASURE	UNIVERSITY RANK
1	Lobby government	1
2	Establish guidelines for discontinuing programs	5
3	Develop new programs	12.5
4	Expand current programs	21
5	Energy conservation	7
6	Encourage lobby groups	3
7	Programs with business and industry	8
8	Involve faculty members in process	4
9	Incentives for retraining	28
10	Clear guidelines for terminating redundant faculty	10

Table 2
Least Acceptable Measures for Dealing with Financial Constraint

COLLEGE RANK	MEASURE	UNIVERSITY RANK
1	Reduce faculty salaries	2
2	Freeze faculty salaries	3
3	Increase teaching workload	5
4	Not appoint new faculty to permanent positions	9
5	Leave vacant faculty positions unfilled	11
6	Reduce funding for instructional supplies	6
7	Reduce funding for library materials	1
8	Fill vacant positions with sessional appointments	11
9	Defer repairs and renovations to facilities	10
10	Establish quotas on the number of permanent positions	20

Faculty in both sectors believe that lobbying for more funding is the most acceptable measure. If cutbacks become inevitable, faculty want to know exactly what process will be used to discontinue programs. Developing new programs and expanding current programs are more acceptable to college faculty than to university faculty. Also instructors in colleges are more open to the potential of retraining than are university professors. In considering the least acceptable measures, both college and university faculty would oppose most strongly the reduction or freezing of salaries. They also reject what has become a common policy of natural attrition by leaving vacant faculty positions unfilled. They also are opposed to library reductions and deferral of repairs and renovations.

Table 3 shows the reduction of the 65 items into 11 factors. By this analysis, the overall preferences for basic types of measures are evident. The 11 factors are presented in the order of most to least acceptable; the factor means are based on a five point scale.

Table 3
Basic Approaches to Financial Constraint

RANK ORDER	FACTOR	MEAN
1	Conservation measures	4.10
2	Program development	4.07
3	Soliciting support groups	4.04
4	Abolishment of positions	3.65
5	Discontinuance of programs	3.35
6	Increase tuition and service fees	3.32
7	Incentives for reducing faculty	3.20
8	Reduce support services	2.91
9	Deficit financing	2.70
10	Reduce or defer academic support	2.42
11	Salaries and positions	1.88

These factors confirm the trends suggested by the foregoing presentation of most and least preferred means for dealing with constraint, but present a more comprehensive picture. Using 3 on the 5-point scale as demarcation between general rejection or acceptance of a factor, an image of faculty appears which reveals a natural inclination to protect first their personal interests through preservation of salaries and benefits, second their professional integrity through maintaining academic support and equipment, and third the institution which employs them through avoiding measures such as deficit financing and deferral of maintenance which might threaten the long-term stability of the college. Consistent with this view is the strong support for measures which do not threaten or jeopardize the welfare of the established faculty. Thus, energy and utility conservation measures are very acceptable, as are any measures which bring additional resources, such as developing profit-oriented programs. When the inevitability of cutbacks arises, faculty place a high value on following established procedures for determining redundancy and prefer that layoff measures be directed first at temporary staff. They prefer that individual positions be targeted before whole programs. Increasing income through tuition and service fees is barely acceptable to faculty, perhaps because they appreciate the importance of maintaining enrolments. Perhaps surprising at first glance is the barely acceptable rating for incentives for reducing the number of faculty; but closer inspection of the related measures reveals that providing incentives for early retirement and facilitating leave without pay are quite acceptable (3.86 and 3.72 respectively), whereas providing incentives for faculty members to resign and to change from full-time to part-time employment are less acceptable (2.91 and 2.30).

IMPLICATIONS FOR GOVERNANCE

There is no doubt in the minds of faculty members that financial constraint has to be faced, in the short term at least. Therefore, budget committees and college administrations can anticipate the full attention of faculty representatives in formulating measures to cope. Not only will faculty be attentive and responsive, but they are prepared, and expect, to be involved in determining which measures to employ and in formulating procedures to assure some degree of equity in cutback decisions. Serious thought should be given to expanding the scope of and numbers of faculty involved by, for example, increasing the size of budget committees and decentralizing as many decisions as possible. There is no formula or procedure which will spell out where cuts can or should be made. But a professional approach and transparent process must be established and used consistently to reach difficult decisions on priorities. Administrators cannot continue to spread the pain by across-the-board cuts. Each institution has to discover its own means of coping, consistent with its institutional mandate.

Given the necessity for fairly severe measures, college administrations should give evidence of the application in good faith of the measures acceptable to faculty. Only then should they resort to unpopular means, and with the caveat of representative participation and full disclosure. Fiscal constraint should not be perceived as an opportunity to bring recalcitrant (in the minds of administrators) departments and faculty to heel. Faculty morale is low, but the willingness to collaborate in increasing effectiveness and efficiency is there. Moreover, faculty have relevant views about the implications of measures which may save money in the short run but which could seriously impair the effectiveness of instruction in the longer term.

Finally, the timing of decisions about ways and means of coping with budget pressures is of utmost importance. It may be tempting for administrators to reach and announce unpopular decisions at times when the faculty are least reactive. A more responsible approach is to anticipate difficult decisions which lie ahead through a strategic planning process and to marshal forces as soon as possible to give those affected the necessary time to provide input and to consider their options.

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