

## 2018 TIAA Institute Higher Education Thought Leadership Annotated Bibliography

### Collaborations, alliances and mergers

#### Mergers in Higher Education: A Proactive Strategy to a Better Future?

Ricardo Azziz, Guilbert Hentschke, Bonita Jacobs, Lloyd Jacobs, and Haven Ladd  
(September 2017)

Motivated by the belief that bigger is better, many nations have undertaken systematic mergers of their higher education institutions (HEIs). Alternatively, in the United States, efforts at merging HEIs historically have been less state sponsored and more institutionally opportunistic. Nevertheless, a number of unifications have occurred and provide lessons learned.

Which institutions should be considering mergers? Azziz and his colleagues note that simple parametric and financial predictors do not paint a picture detailed enough to answer that question. More often, a leader's appraisal of her/his institution's long-term future includes a bundle of both threats and opportunities, many of which might be addressed through merger. Clearly, institutions at serious risk for closure may wish to assess their options for a merger. Merging, however, is a tactic that should be considered seriously and proactively by many institutional leaders—not just those under threat of closure. Ultimately, to be successful, mergers must be part of a larger strategic plan and not an isolated tactic or endpoint, and cost savings should not be the only, and probably not the primary, driver.

To assist higher education leaders in better understanding the possibility of institutional mergers as components of long-term strategic plans, Azziz and colleagues have crafted a resource document for higher education leadership, including governing boards, that delineates the operational decision making and implementation details of mergers. They examine and explain the what, why and how of merging and consolidating colleges and universities. Their work is shaped by a team of researchers with significant expertise in the challenges facing higher education today, and by higher education leaders who have led successful mergers.

#### Between Collaboration and Merger: Expanding Strategic Alliances in Higher Education

Michael Thomas and Kent Chabotar (November 2015)

Many U.S. higher education institutions face a complex combination of competitive and financial sustainability challenges that demand a more deliberate and strategic orientation toward alliances. Thomas argues that this new breed of alliance must go beyond the valuable, but mature innovation of consortia, and be more flexible and multilateral than complicated, two-institution mergers.

Drawing on the strategic alliance literature, Thomas considers the range of alliance arrangements, motivations and benefits, and factors for success. He identifies a “sweet spot” of strategic system alliances and joint ventures to best pursue essential economies of scope and scale and core business model changes—both academic and administrative. He outlines several critical design principles for this next frontier of multi-institutional alliances, including, for example, moving beyond the constraints of geographic proximity to expand reach, and pursuing cost savings, efficiencies and integrations via partner institutions’ complementary and/or supplementary fits. Chabotar offers deeply-informed commentary throughout the paper from a practitioners’ point of view, having previously served as both a chief financial officer and college president.

The authors note that building necessary alliance capacity will require rigorous institutional self-appraisal, bold vision, and focused efforts by presidents and trustees. Support from higher education-focused philanthropies and industry and sector associations will be critical. Further, these strategic system alliances and joint ventures will likely be aided by the growing ecosystem of technology-fueled and fast-moving start-ups serving the industry space and reconfiguring fundamental processes and activities.

## **Innovation and financial sustainability**

### **Financial Management as Revenue Growth Slows: Building Budgets, Sharing Results, Educating Key Constituents**

**David Wheaton (April 2018)**

Macalester College convened a Sustainable Operations Task Force in Fall 2010 in response to concerns that growth in the college’s revenue streams—tuition, endowment and gifts—may have reached a point where sustaining a business-as-usual approach would not be possible without change in the growth rate of one or more of its revenue streams or the expense allocation, or both. The central problem the task force faced was that the college’s expenses recently had grown at a rate near 3% per year, while some of its underlying assumptions for revenue growth did not consistently reach that level, leaving a gap that had to be closed.

Wheaton’s description of the task force’s overriding goal is straightforward: to match the growth rate of the college’s available revenue with the growth rate of required expenses over the next decade regardless of the size of the student body. For the college to sustain its operations, the slope of these two lines had to be parallel or diverging with the revenue line on top. While not particularly profound, execution of such a goal is certainly challenging when the underlying cost structure carries annual demands for additional resources that are hard to deliver from the existing business model.

To guide the college’s decision making, the task force undertook—and continues to do so today—careful modeling of possible or likely outcomes, including analyses of the sensitivity of the major assumptions to varying conditions and a description of how the institution will protect itself from the unexpected. The models, described in this paper, reflect scenarios that are very much in play for most small colleges and, to some degree, for all higher education institutions. Wheaton cautions that analyses must be realistic

about the possibility of improved conditions flowing from changes in strategy or tactics. With this clarity in hand, information should be widely shared with relevant constituencies, especially the campus community, to generate cooperation and support for the institutional responses that inevitably will need to be carried out.

**Innovation, Transformation, and Change Leadership: A Compendium Based on TIAA Institute's Symposia and Related Work**  
**Maureen Devlin (December 2017)**

Innovation may well be an over-worked term, which can lead to confusion about its meaning—and people turning deaf ears as it's invoked yet again. The purpose of Devlin's compendium is to help cut through the noise and offer clear advice and direction for higher education leaders who fully understand that they need to take action. First, the meaning of innovation—along with the related concepts of creativity and entrepreneurship—are addressed to help clarify these generally nebulous terms. Devlin examines the conditions and cultures that support innovation and, conversely, the barriers that undermine innovative efforts in higher education. She reviews possibilities for overcoming such barriers, including breaking down hierarchical mindsets that discourage collaboration and sharing of ideas.

A key point gleaned from Institute-commissioned work related to innovation, transformation and change leadership is that change and innovation are a natural state for any organization and needn't always be disruptive. Action that derives from a crisis mentality—or driven by the notion that things need to be disrupted—is certainly not optimal. Leaders can help people understand that change is a constant, and that lack of attention to change makes organizations reactive rather than proactive in responding to changes in ways that are in their best interests. Further, change cannot be seen as anathema to achieving institutional missions.

The compendium delves into these and many additional topics, and points the reader toward several resources from within higher education, healthcare and the business realm to help inform and guide transformative initiatives appropriate for their institutions.

**Achieving Success in Postsecondary Education: Trends in Philanthropy**  
**Amy Holmes (June 2017)**

The relationship between campus leadership and private foundations has changed considerably in recent years. Some higher education leaders believe that college and university innovation and creativity are not receiving the support they once did, and that campus needs are not being heard by foundation funders. Many influential foundation leaders recognize that their priorities are not always shared by campus leaders, and choose to seek out institutions that are strategically aligned with their philanthropic goals.

Indeed, foundation leaders interviewed by Holmes and her colleagues indicated that the tide has turned in recent years. Foundations are now more likely to identify their own priorities for initiatives, then seek colleges and universities that will adopt those programs and models. Since 2008, the philanthropic affinity group Grantmakers for Education has

noted that its members report a growing preference for being “proactive rather than reactive” in defining their priorities. Likewise, grant guidelines have become more prescriptive, with greater expectations for alignment with a foundation’s overall strategy. Generally, those strategies have become more focused on supporting student retention and graduation, particularly for low-income and first-generation college students.

To help shed light on these trends, Rockefeller Philanthropy Advisors (RPA) partnered with the TIAA Institute to gather extensive data and examine trends in private foundation grantmaking to colleges and universities in the United States since 2004. Their goal was to offer perspective on the shifting priorities of leading private foundations that support higher education, and to help leaders of colleges and universities, other funders, and educational advocates understand the approaches that define the current landscape of postsecondary philanthropy.

### **Cultivating Strategic Innovation in Higher Education** **William Tierney and Michael Lanford (November 2016)**

Tierney and Lanford urge that colleges and universities become more strategic in creating a climate for creativity and innovation in their organizations. They reject the notion that individuals are born creative, as if it is an intrinsic quality for some and absent in others. Instead, they argue that an organization’s leaders can strategically enhance creativity and build a culture of innovation. They begin by clarifying the often-confusing concept of innovation by defining it alongside related concepts, including creativity and entrepreneurship. Tierney and Lanford further explain that the theory of “disruptive innovation,” while intriguing for its encapsulation of today’s dynamic business climate, is ultimately of limited utility for a sector as complex as higher education.

The authors cite research demonstrating that a strategic approach to innovation can be effective in spurring needed changes in the higher education landscape, and outline the conditions necessary to foster it—including positive affective states, a focus on potential gains, and a concentration on distant outcomes. Tierney and Lanford also note that since creativity is dependent upon the development of expertise within a given field, as well as the ability of an individual to both thoroughly understand and build upon the work of others, it may be enhanced through social interaction. Likewise, a diverse range of backgrounds, proficiencies and voices augments the creative impulses of individuals and the innovative potential of a group. Further, they describe research showing that to create and nurture an innovative work environment, higher education institutions need to stimulate the intrinsic motivations of researchers, administrators, instructors and other employees. Finally, the individual agency associated with self-determination also is vital for the cultivation of an innovative campus climate.

### **Course-Level Activity-Based Costing as an Academic and Financial Tool** **William F. Massy (July 2016)**

This paper is one of five in the *TIAA Institute Higher Education Series: Understanding Academic Productivity*, an initiative undertaken by the Institute in support of NACUBO’s Economic Models Project. Massy offers an in-depth description of an enhanced activity-

based costing (ABC) tool by way of a case study of its implementation at the University of California-Riverside. He argues that delivery of quality education in a budget-constrained environment requires that academic and financial decision makers understand the activities, costs and margins associated with teaching at the course level.

Working in partnership, the provost and CFO at the University of California-Riverside (UCR) implemented an enhanced ABC tool to supply detailed, course-level information about teaching. The tool integrates data from the university's enterprise systems with survey responses from faculty and/or department chairs to estimate, for each course in the curriculum, teaching activity profiles, resource utilization and financial outcomes, and rough quality surrogates. Short-term benefits include assessing resource allocation strategies and prioritizing budget alternatives, quantifying the levels of cross-subsidization across the institution, gaining deeper insights about course redesign, and improving human resource and facilities utilization. Longer term, the goal is to transform how departments think about optimizing cost in relation to resource utilization and education quality.

Massy discusses the reasons for developing the enhanced ABC tool, outlines its conceptual structure, illustrates the kinds of information it provides, and describes how it can be used in academic planning and decision making. He notes that the development of such tools was not possible until recent advances in university enterprise systems (especially timetabling and student registration systems), and that now only modest supplementary data need be generated by survey. He addresses the faculty's role in academic planning as well, noting that while course content remains paramount for faculty, achieving the university's mission in today's world also requires faculty attention to teaching processes, costs and margins.

**Conceptualizing and Measuring Productivity in U.S. Higher Education**  
**Christopher Mackie (July 2016)**

This paper is one of five in the *TIAA Institute Higher Education Series: Understanding Academic Productivity*, an initiative undertaken by the Institute in support of NACUBO's Economic Models Project. Mackie, who served as study director of the National Academy of Sciences' 2012 report *Improving Measurement of Productivity in Higher Education*, presents a deeply-informed review of the literature on productivity measurement. He notes that efforts to measure the inputs and outputs of higher education production and to address the quality dimensions of each component along with quantities have accelerated. The findings he summarizes reflect these developments, as well as advances in the modeling of economic concepts applied to the sector.

Mackie strikes several notes of caution with regard to measuring productivity in higher education: First, metrics should be constructed only after goals have been identified—otherwise, administrators and policymakers will value something that is measurable rather than measuring something that is valuable. Further, when attention is myopically focused on one performance dimension—such as unit costs or graduation rates—there's a heightened risk that goals based on that dimension will be pursued at the expense of

quality. He also notes studies that suggest that more than half of higher education's total benefits to society accrue as positive externalities and public goods; failure to capture these benefits distorts calculations of value added and return on investment. Finally, he writes, the fact that some elements in productivity and performance measurement are difficult to quantify should not be used as an excuse to ignore them.

Weighting the different elements of value associated with higher education outcomes (e.g., graduates' learning versus earnings gains) will always require subjectivity and subject matter expertise, and will be driven by the specific question being asked. Although stubborn challenges persist, in the continuing effort to expand college access and affordability, productivity improvement is seen as the most promising strategy for containing costs while keeping the quality of higher education in the United States at a world-class level.

### **The Limits of Institutional Measures for Assessing State, Regional and National Postsecondary Productivity**

**Nate Johnson (July 2016)**

This paper is one of five in the *TIAA Institute Higher Education Series: Understanding Academic Productivity*, an initiative undertaken by the Institute in support of NACUBO's Economic Models Project. Johnson argues that for the purposes of informing public policy, the productivity framework needs to be different from that used for institutional or departmental analyses. Unlike institutional leaders, whose primary responsibility is to their individual college or university, policymakers should be at least as interested in analyzing productivity in terms of student characteristics (e.g., age, income, academic history) and geography (metropolitan area, state, region, nation) as they are in the productivity of institutions relative to one another or over time. It is critical for decision makers to understand that overall systemic trends in productivity within a geographical area may differ from what any of the individual institutions or sectors in that area are experiencing.

The composition of the postsecondary education sector is constantly and rapidly changing and varies over time and across regions. The author's analyses show that these changes in the composition of the postsecondary sector—and not just changes within the institutions themselves—are often the key variables in long-term trends and relative state or regional performance.

Johnson emphasizes two key implications that emerge from taking a public policy point of view as opposed to an institutional view of productivity. First, student time and effort should be considered just as much an *input* into the equation as faculty or staff time or other institutional contributions. Second, the *output* measures of productivity at aggregate levels need to be redefined so they are not, like the credit hour, based simply on quantities of student time. The methodological tools and resources to understand productivity and other measures independent of institutional silos are increasingly available; when they receive more attention from policymakers and postsecondary education advocates, decision making and resource allocation will improve.



**Converging Paths: Public and Private Research Universities in the 21st Century**

**Ronald J. Daniels and Phillip Spector (April 2016)**

America's public research universities are under enormous strain. Daniels and Spector note that the principal source of this stress has been a marked withdrawal of state financial support to higher education over the last two decades. Public research universities have become more dependent on revenue sources other than state appropriations—including tuition, philanthropy and grants—and more committed, like their private peers, to strategies focused on those sources. A byproduct has been a negative impact on affordability and access, benchmark objectives of public higher education. These responses have taken a predictable toll on the mission and standing of the public university.

Although the privatization of the public university is much discussed, less appreciated is the opposite but equally significant trend: the “publicization” of private universities. In response to a variety of external forces, American private research universities have taken on new roles and responsibilities long associated with the mission of public research universities, namely: enhanced socioeconomic diversity, local social policy goals, regional industrial policy and, more recently, mass online education. Taken together, Daniels and Spector argue, the privatization of the public research university and the publicization of the private research university suggest a marked convergence of these institutions.

But public research universities are at a distinct disadvantage relative to their private peers in adapting to this new landscape, given that they must reckon with the structural encumbrances of public ownership and operation, which impairs their ability compete in this new world. The authors argue that a convergence in the structure of public and private research universities, which mirrors that which we have seen in the missions of these universities, is needed. They propose a series of reforms to accomplish this goal, including the structural independence and flexibility public research universities need to continue to advance their emphatically public missions.

**Evolving Higher Education Business Models: Leading with Data to Deliver Results**

**Louis Soares, Lindsay Wayt, and Patricia Steele (March 2016)**

Higher education finance is often viewed as a “black box,” with revenue generation, spending and monitoring of student outcomes often occurring separately from each other. Soares and his colleagues propose a network approach to higher education leadership that creates transparency around institutional financial data and empowers those on the front lines to make data-informed decisions that improve institutional practices and better align them with goals for performance outcomes.

This networked leadership approach calls for a shift from traditional shared governance and its emphasis on institutional dialogue to a focus on institutional performance based on agreed-upon metrics. Institutions cannot innovate effectively without knowledge of costs in relation to revenues; however, the data needed go far beyond what can be gleaned from financial statements or even from conventional cost accounting. College

and university leaders will need to engage in the difficult work of extracting actionable information from the data in their information systems, leading faculty and staff to an understanding of the relationships between their inputs and outputs as an organization, and, finally, executing informed decisions driven by mission, quality, cost and revenue considerations.

The authors call for a new approach to leadership and business intelligence as key to re-imagining the academic enterprise. Using new conceptual tools to analyze financial and academic models, granular financial data to unpack return on investment, and networked leadership approaches to drive efficiency and effectiveness, higher education leaders can systematically innovate with integrity and improve outcomes for their students and society at large.

**Mission-Driven Innovation: An Empirical Study of Adaptations and Change Among Independent Colleges**

**James C. Hearn and Jarrett B. Warshaw (July 2015)**

The TIAA Institute, in collaboration with Lumina Foundation, supports the Council of Independent Colleges' (CIC) Project on the Future of Independent Higher Education. As part of that multi-year initiative, Hearn and Warshaw undertook a survey of the presidents of CIC member institutions to more fully understand the challenges independent colleges face, the innovations they are undertaking to adapt and prosper, the factors driving those innovations, and the perceived effects of their innovative efforts.

Hearn and Warshaw begin by noting the range of challenges facing independent institutions, including decreases in family income and government investment in higher education, public skepticism about the value of a liberal arts education, and structural barriers to cutting college operating budgets. They describe the prevailing narrative—which casts a negative outlook on the condition and future of the independent sector—as anecdotally based, and refute that view with systematic, representative and empirical data drawn from their research. Their survey findings indicate that leaders of the nation's independent colleges are engaged in varied and aggressive change efforts on multiple fronts. Every responding president reported pursuing some form of 1) cost containment and reduction, with two-thirds doing so “aggressively,” and 2) revenue enhancement and diversification to improve financial health, with 92% of respondents pursuing both, and one-third pursuing both “aggressively.”

Hearn and Warshaw present detailed accounts of many cost-containment and revenue-enhancement measures being undertaken, and conclude that their research indicates activism rather than retreat across the independent college sector. The image of the hidebound college steadfastly resisting reform, they say, is nowhere to be found.

A companion piece to this paper is described in the entry below.



**Strategic Change and Innovation in Independent Colleges:**

**Nine Mission-Driven Campuses**

**James C. Hearn, Jarrett B. Warshaw (April 2016)**

This report is a companion piece to the paper described in the entry above. The authors follow up that work with deep dives into case studies of nine institutions that exemplify the change efforts underway at independent colleges and universities. Each of the nine colleges was chosen for its efforts in cost containment and reduction, revenue enhancement and diversification, or both.

The nine colleges are distinct and driven by their own specific contexts and missions. They showed substantial variation in the challenges they face, how they organized to address those challenges, and in their eventual choices as to how best to move forward. Dillard University in New Orleans, for example, saw its enrollment drop by nearly 50% in the wake of Hurricane Katrina in 2005, undertook aggressive cost-cutting measures, and has nearly rebounded in the ensuing years. New England College is facing demographic-driven challenges in a region with falling numbers of high school graduates and a plethora of colleges and universities—including 30 within 50 miles of its campus—and is diversifying its programs to significantly boost enrollment beyond traditional undergraduates. And several institutions were left reeling when the financial crisis led to dramatic drops in their endowment and diminished the capacity of students and families to pay for college.

Hearn and Warshaw's analyses reveal overarching themes that characterize the change efforts they studied: all the colleges exhibited a bias for action; a drive to connect locally, regionally and beyond; realistic self-assessment; organizational structures for innovation; assertive leadership; and alignment of mission and innovation. While the authors offer specific examples of creative actions being taken to address a range of challenges, they also aim to enhance higher education leaders' capacity to build more systematic and effective approaches to strategic change and innovation.

**Waves of Innovation: Creativity and Community at Pepperdine University**

**Andrew Benton and Lee Kats (September 2015)**

Pepperdine's Waves of Innovation program captured the Institute's attention for its unique approach to stimulating collaboration and creativity across the university. The TIAA Institute believes that the model developed and refined at Pepperdine—and which is based on the scholarly literature on spurring innovation—is one that can be readily adapted and implemented across a wide range of institutions.

Benton and Kats explain the need for Pepperdine to regain its creative momentum after being slowed by a stagnant economy and having to conserve resources during the financial crash of 2007-08 and the ensuing recession. An internal study led to creation of a new campus initiative called Waves of Innovation. Working with an interdisciplinary committee of faculty, staff, students and alumni, they issued a call—open to any member of the university community—for innovative ideas that could potentially change the university. Proposals had to address at least one of five criteria, all tightly linked to the

university's strategic plan. During just the first two rounds of funding, the university community submitted more than 250 proposals to improve the university, enhance its reputation, or streamline its administrative processes. Proposal finalists give brief Waves of Innovation Talks to explain their idea to a community-wide university audience.

Benton and Kats report that the evenings of the Waves of Innovation Talks have become significant community-building events. To date, funded proposals reflect issues at the forefront of discussions throughout higher education, including sustainability, accessibility, equity, and technology and learning. Without question, Benton and Kats maintain, the Waves of Innovation initiative has improved Pepperdine and engaged its community in a broad-ranging discussion about getting better and building new bridges throughout the community, while inspiring higher levels of learning and new revenue opportunities.

**Barriers to Innovation and Change in Higher Education**  
**Lloyd Armstrong (November 2014)**

The environment for American higher education is rapidly evolving in ways that present both large challenges to the status quo and growing opportunities for responses to these challenges. Armstrong argues that change in higher education generally has been slow to occur despite pressures to do so. He draws from the literature on institutional obstacles to innovation and change to shed light on some of the reasons why higher education has, in his assessment, moved slowly to meet new challenges. He adopts a business model perspective to identify key aspects of higher education that heighten some of the universal obstacles to innovation and change. These include American higher education's worldwide reputation for excellence, which serves to reinforce the status quo—particularly among tenure-line faculty who play a dual role by both producing the educational product and participating in institutional governance, thereby exerting unusual control over change at the institutional level.

Armstrong's business model lens also serves to identify ways in which these obstacles may eventually be lowered. The shifting composition of the faculty workforce to a potentially dominant percentage of full-time, nontenure-track faculty focused primarily on teaching, but with a growing voice in governance, is likely to result in less attachment to the status quo, he believes. Also, intensifying demands for outcomes measurement will shed more light on the surrogate measures for quality that dominate higher education today; should those surrogates be found to be of limited value, Armstrong predicts that many barriers to change would fall. Armstrong also considers external barriers to change, including the role of the member-organization accreditation system in shaping responses to the changing higher education environment, as well as the role of politics as it influences the actions of the U.S. Department of Education.

## **Supporting the faculty and high-quality teaching**

### **The Working Environment Matters: Faculty Member Job Satisfaction by Institution Type**

**Karen Webber (March 2018)**

Ongoing shifts in faculty roles and responsibilities—particularly the increasing use of part-time and nontenure-track positions—may lower faculty job satisfaction and diminish academia’s appeal for highly qualified candidates. Faculty attitudes, in turn, can have concomitant effects on student learning, academic scholarship, and institutional success. To explore these possibilities, Webber examined survey data from Harvard University’s long-running Collaborative on Academic Careers in Higher Education (COACHE) survey, which focuses on faculty satisfaction levels and perceptions of their work environment. She analyzed nearly 31,000 survey responses from a three-year period ending in 2013-14, and conducted interviews with a sample of the faculty, as well.

Webber’s study examines faculty job satisfaction across different types of institutions and explores how gender, race, age and other personal factors interact with faculty expectations, experiences, and perceptions of the work environment to determine satisfaction. She found that although some faculty report low satisfaction and a few expressed enough dissatisfaction to consider leaving their current institution, the majority of full-time faculty members were reasonably satisfied with their work. It is noteworthy that women reported lower salaries but did not report lower overall satisfaction. This was also true in the interview portion of the study, although interview comments did not indicate large perceived differences in salary by gender.

Findings from both survey data and faculty interviews indicate that mentoring junior faculty is important for their satisfaction levels. With regard to workloads, faculty in baccalaureate and master’s institutions seem to achieve better work-life balance than those in doctoral and research universities. These and other findings will help institutional leaders better understand their faculty’s satisfaction levels and productivity and, importantly, shed light on factors affecting the quality of their work.

### **Academic Workforce Flexibility and Strategic Outcomes in Four-Year Colleges and Universities**

**James C. Hearn, Rachel A. Burns, and Karley A. Riffe (January 2018)**

Today, less than one-third of all faculty at U.S. colleges and universities are tenured or tenure-track, and fewer than half are employed full-time. Proponents of this trend argue that predominantly tenured faculty workforces are costly and poorly adapted to changing academic markets. Hearn and his colleagues note counterarguments to this view: what is gained in employer flexibility and efficiency may be offset by reduced worker security, turnover challenges, and other workforce problems. Higher education’s distinctive mission, values, and governance traditions make these trade-offs all the more complex. Turning over sizable portions of academic offerings to workers with limited commitments to an institution and limited voices in educational policy decisions ultimately may harm

educational quality and perhaps jeopardize institutions' financial and marketplace positions.

The authors analyzed trends in contingent hiring, IPEDS data for a recent 14-year period, and results of qualitative interviews to explore the connections between faculty workforce composition and institutions' strategic success. "Contingent" faculty are nontenure-track (NTT), working either part- or full-time on fixed-term contracts. Strategic outcomes examined include enrollment, applications, admission yield, student-faculty ratios, six-year graduation rates, and net revenues.

The authors found that institutions may benefit from moving to contingency in their faculty employment profiles in some ways, but overall effects on institutional outcomes are selective and mixed. Increased NTT commitments consistently were associated with lower student-faculty ratios, perhaps suggesting educational benefits for students, but absent information on teaching loads, one cannot assume that the improved ratios led to smaller class sizes. No benefits were observed on other outcomes. Institutions exploring heightened use of contingent faculty arrangements would do well to consider such a choice holistically and cautiously. Study results provide ample reason for caution regarding expectations that the move will pay off by improving market positioning, academic outcomes, or financial health.

### **The Shifting Academic Workforce: Where are the Contingent Faculty?**

**Steven Hurlburt and Michael McGarrah (November 2016)**

The shift in the academic workforce to contingent faculty—that is, full- and part-time instructors not on the tenure track—is well documented; what is less understood is the concentration of contingent faculty at different institutional types, the nature of their contracts, and how student outcomes are affected by the shift.

This paper, first in a two-part series commissioned by the TIAA Institute from the Delta Cost Project at the American Institutes for Research, provides a more comprehensive understanding of the landscape surrounding changes to the academic workforce. To that end, Hurlburt and McGarrah present a profile of the contingent workforce, examining the number and percentage of nontenure-track faculty at colleges and universities based on a variety of institutional characteristics.

Hurlburt and McGarrah found that between 2003 and 2013, increases in contingent faculty ranged from 2 percentage points for private research institutions to 17 percentage points for public bachelor's colleges and universities. By 2013, contingent faculty accounted for at least half of all instructional faculty across all types of institutions, ranging from 50% at public research universities to more than 80% at public community colleges. The authors note that part-time positions of one year or less make up the largest share of nontenure-track positions at all types of institutions, ranging from 19% of all faculty positions at public research institutions to 50% of all faculty positions at community colleges. The authors' analyses also document that colleges and universities

with higher shares of students at risk of noncompletion also have higher shares of contingent faculty, particularly among private four-year institutions.

**Cost Savings or Cost Shifting: The Relationship between Part-Time Contingent Faculty and Institutional Spending**

**Steven Hurlburt and Michael McGarrah (November 2016)**

The growing reliance on contingent faculty is commonly viewed as a cost-savings measure. Indeed, replacing tenured and tenure-track faculty with contingent faculty could quite reasonably be expected to cut institutional costs: Full-time contingent instructors earn 26% less per hour, and part-time contingent workers earn 64% less per hour than their tenured or tenure-track counterparts. Average salaries of tenure and tenure-track faculty range from \$60,000 to \$100,000 per year, whereas the average annual salary of full-time contingent faculty is \$47,500. Part-time faculty—who frequently are compensated per class or semester—earn an average of only \$2,700 per course, typically without benefits.

To promote a better understanding of the mechanics behind these financial trade-offs, the TIAA Institute commissioned this paper, the second in a two-part series by Hurlburt and McGarrah, to investigate how the concentration of part-time contingent faculty relate to various measures of institutional spending. They found that a clear relationship exists between the use of part-time contingent faculty and cost savings in instructional salaries and benefits for faculty, both cross-sectionally and over the 10-year period they analyzed (2003-2013). However, while relying on part-time contingent faculty has helped to constrain compensation costs for faculty, cost savings in total compensation for all employees were more modest. That is, the savings in faculty compensation didn't translate directly into savings in compensation for all employees. Instead, non-faculty employee costs largely served to limit the scope of the savings at institutions with high shares of part-time faculty.

Hurlburt and McGarrah present further analyses, cross-sectionally and over time, related to overall E&R spending, revealing differences in the cost structures of colleges and universities that are shifting most heavily to part-time contingent faculty.

**Bridging Learning Research and Teaching Practice for the Public Good: The Learning Engineer**

**Candace Thille (November 2016)**

Thille notes the pressure on colleges and universities to improve outcomes, reduce costs and educate a greater number of diverse students. She believes that higher education's dual missions of research and teaching ideally position the sector to make rapid progress on addressing these challenges by discovering and implementing the most effective processes for teaching and learning. Historically, though, a chasm has existed between learning research and teaching practice in higher education. Thille outlines a new academic role—the Learning Engineer—to bridge that gap. Learning engineers, in collaboration with researchers and practitioners, will design learning environments and

data systems that yield predictive and explanatory models of student learning that support course improvement, instructor insight, and student feedback.

Thille describes how in all sectors, advances in machine learning, data science, crowdsourcing and computation are enabling a much larger part of human processes and decision making to be done by machines. Likewise, such machines are becoming a core part of the teaching process in higher education. She points out that, currently, adaptive educational systems that facilitate innovation in teaching and learning are being designed and built mostly outside of, and then sold into, the academy. But the systems and algorithms used to model the data are not neutral; any system built using data will reflect the biases and decisions made when collecting that data, as well as the behaviors and judgments of the groups and individuals from whom the data are collected. Without transparency and peer review, Thille asserts, the development process is better described as alchemy, not science.

Learning engineers can design, from within academia, the analytic research systems that improve knowledge modeling, and support the selection of useful knowledge modeling approaches for specific students, contexts and learning goals. In short, learning engineers can facilitate unbiased and rapid progress in the basic science of human learning.

**Flexible Workplace Agreements: Enabling Higher Education's Strategic Advantage**  
**KerryAnne O'Meara (December 2015)**

O'Meara maintains that the ability to offer workplace flexibility is a largely hidden strategic advantage for higher education—and a welcome resource in the midst of the many constraints facing colleges and universities today. Unlike some organizations that have more fixed constraints on what they deliver and how they deliver it, she explains, higher education institutions have leeway to reconsider the structures and mechanisms by which they follow through on their mission. Institutions can consider more ways to engage faculty in work matched to their talents that also support their financial well-being and diverse missions. At the same time, faculty members need more ways to structure their work to meet the changing realities of their lives.

O'Meara provides several examples of colleges and universities that have added flexibility in faculty time to advancement, terms of advancement, workload and the nature of appointments. She also examines old assumptions that are being rethought in order to craft new possibilities. Although the research on the long-term outcomes of these flexible organizational practices is limited, evidence suggests flexible policies such as those she describes foster improved outcomes in several areas, including inclusion and full participation of diverse faculty; efficiency, as institutional needs and individual talents are better matched; organizational commitment and productivity; and perceptions of a fair work environment.

When institutions create flexible policies such as O'Meara describes, and enter into shared agreements with faculty, they provide the kinds of resources that motivation



research shows are most valued by today's workers. Such reforms can result in mutual satisfaction for faculty members and their institutions by allowing both to achieve their goals.

### **Understanding the Faculty Retirement (Non)Decision**

**Paul Yakoboski (June 2015)**

When a significant share of tenured faculty works past what is considered a “normal” retirement age, challenges can arise for campus leaders in terms of keeping the faculty workforce dynamic for purposes of teaching, research and service. Such challenges can result from declining productivity among some faculty, limited advancement opportunities for junior faculty, a lack of openings for new hires, and an inability to reallocate resources across departments and programs. Yakoboski, senior economist at the TIAA Institute, analyzed data from the Institute's 2014 Faculty Career and Retirement Survey, which included nearly 800 tenured faculty members age 50 or older from a range of institutions. He found that just 35% of tenured faculty age 50 or older expect to retire by age 67. Nearly half expect to work past age 67 and, in fact, want to do so. Yakoboski calls this group the “reluctant by choice.” The remainder expect to work past age 67, but would prefer to retire before then. These are “reluctantly reluctant.”

Yakoboski's research helps to address these issues, shedding light on the reluctant retiree phenomenon by delving into both financial and psychosocial factors that influence the retirement decision. Not surprisingly, personal finances are a particular barrier for those who are reluctantly reluctant. Psychosocial factors are the issue for the reluctant-by-choice group. However, one-half to two-thirds of those who are reluctantly reluctant appear to be assuming a financial barrier given that they have not done a careful evaluation of their retirement finances. A systematic financial review would test such assumptions.

An analogous dynamic exists among the reluctant-by-choice group—anywhere from 60% to 90% have not seriously considered what they could do with their time in retirement. Better management of retirement patterns requires addressing the psychosocial. Senior faculty should be enabled and encouraged to systemically evaluate how they could use their time if retired, a process that would allow a more fully informed decision. This approach may or may not result in an accelerated time frame for retirement, but it is a prerequisite for one.

### **Reluctant Retirees and Managing Change in Higher Education**

**Herman Berliner, Teresa Hassara, and Hugh Penney (February 2016)**

The TIAA Institute research described in the entry above, *Understanding the Faculty Retirement (Non)Decision*, is commented upon in this paper by campus practitioners, including a provost and senior human resources director. Briefly, the research found that just 35% of tenured faculty age 50 or older expect to retire by age 67. Of the remainder, nearly half reported delaying retirement by choice, not as a result of financial necessity (the “reluctant retiree” group). Of those who cited financial necessity as a reason to not

retire (the “reluctantly reluctant”), most appear to assume a financial barrier to retirement, as they reported not having done a careful evaluation of their retirement finances.

Ideas gleaned from the campus perspectives offer possibilities as to how best to face the challenge of maintaining a dynamic workforce. For example, Penney, a senior human resources director at Yale, described that institutions’ initiative to offer faculty multiple opportunities to meet with financial advisors—who both assess financial readiness for retirement and help pinpoint specific dates—which could help shift the reluctantly-reluctant group toward earlier retirement. The reluctant-by-choice group could benefit, too, given that many in that group also report finances as a factor in their retirement decisions, along with an unclear picture of their own finances. Further, among those reluctant by choice, anywhere from 60% to 90% have not seriously considered what they would do with their time in retirement. Programs that help envision the possibilities of life in retirement—including potential options to advise students and/or teach classes—could help blunt the pull of academia and encourage retirement.

Berliner, long-time provost at Hofstra, noted that tenure was not originally envisioned as a life-long appointment, and indeed was designed when a mandatory retirement age was still in effect. Proposals for new tenure models include limiting tenure to 35 years after it is awarded, followed by short, frequently-renewed contracts (e.g., every one or two years).

### **Designing and Implementing Strategies for the Development of a Winning Faculty Workforce**

**Edna Chun and Alvin Evans (November 2014)**

The traditional tenured faculty model has been replaced over the last few decades by a model in which part-time and nontenured faculty play a more significant role. Chun and Evans maintain that this academic workforce model has been created largely through reactive, just-in-time hiring practices and perpetuated through successive budget cuts at the dean/departmental level—too often without the benefit of alignment with overall mission and institutional workforce strategy. In many instances, the model has not been calibrated to most effectively serve the needs of students. At the same time, unlike private industry, colleges and universities have been slow to realize the value of strategic human resources in organizational success and the evolution of winning talent strategies.

Chun and Evans argue that the myriad challenges that colleges and universities face today call for the optimal utilization of strategic human resources to recruit, retain and develop faculty and staff talent and build an inclusive and high-performance workplace. Yet the authors cite research indicating that, for the most part, academicians view the human resources (HR) department as a site of bureaucratic hurdles rather than as an institutional asset. This perspective, in and of itself, mandates that HR transform itself and prepare to assume a more elevated role. The challenge for HR leaders is to obtain the necessary credentials and competencies that will enable them to successfully navigate within the academic domain.

This paper outlines the essential factors for successful human resources transformation and how research-based HR constructs can be applied to higher education and the development and improvement of new faculty workforce models. Clearly, the expansion of HR to a strategic operation that serves the entire institution is no longer a luxury, but rather a necessity that will yield substantial return-on-investment. The aim is to fully integrate HR expertise as higher education institutions address the complex human capital issues they face today.

## **Diversity, equity and inclusion**

### **The Power and Potential of Diversity and Inclusion**

**Maureen Devlin (March 2017)**

Today's diverse student body represents a vast spectrum of backgrounds, values and beliefs—which can present challenges for colleges and universities striving to meet changing student needs. Higher education leaders are tasked with creating an environment where all students can achieve their potential, and to do so within financially constrained parameters. To help campus leaders navigate this terrain, Devlin gleans insights from the Institute's 2016 Higher Education Leadership Conference (HELC), which included a panel on *The Power and Potential of Diversity and Inclusion*. The topic permeated the gathering, as it affects multiple aspects of the work higher education leaders do.

The need to go beyond simply offering students access and instead move to building an inclusive community that supports diverse students and helps to ensure that failure is not an option was widely recognized. Possibilities for creating that community are addressed, including the critical need for higher education leaders to learn to be culturally competent across a range of differences. Presidents can lead by example, modeling respectful and understanding behaviors and demonstrating that they are comfortable guiding purposeful conversations about race relations, cultural diversity, and their attendant issues. Diversity and inclusion issues pertaining to the faculty are discussed as well, including the fact that the “invisible work” that women and minority faculty (in particular) do in mentoring others like themselves is a structural barrier in the promotion and tenure process, as that work is largely unrecognized.

For those who wish to delve deeper into the issues at hand, Devlin points toward additional resources, including information regarding institutions' and organizations' diversity and inclusion initiatives, best practices, guidance on protecting free speech on campus, relevant data sources, and other pertinent TIAA Institute work.

### **Boards and Institutional Diversity: Missed Opportunities, Points of Leverage**

**Peter Eckel and Cathy Trower (November 2016)**

Eckel and Trower argue that boards of trustees have a significant leadership role to play when it comes to addressing issues of diversity, equity and inclusion in higher education. They note, however, that rarely are boards seen as contributing to this agenda, and yet diversity touches multiple aspects of the key matters that boards oversee—including

mission and values, strategy, finance, and intercollegiate athletics. Advancing diversity and equity is difficult for boards for a host of reasons, including the lack of diversity on boards themselves; challenges in framing the issues for action; racism and the challenges of talking about race; low levels of confidence by key stakeholders in board leadership; and common governance shortcomings—including a lack of sophistication on student and faculty issues, insufficient use of data and dashboards, and the pull of competing issues and priorities.

Clearly, Eckel and Trower acknowledge, the work can be challenging—it takes time, and in many ways the decks are stacked against the boards. Nevertheless, they argue that boards can help spur real progress by employing a wide range of tactics. Working collaboratively with administrators as well as with faculty and staff, boards can keep sustained attention on diversity matters over the necessary long-time horizon, well beyond the average president's tenure in office. The authors offer strategies to help boards overcome the many challenges they face in advancing campus diversity, including taking ownership of the issue; defining success and setting goals; recognizing that conflict is inevitable; holding the president accountable and supporting that individual; and translating their own experiences from outside of higher education to the critically important issues at hand.

### **Taking the Measure of Faculty Diversity**

**Valerie Conley, Martin Finkelstein, and Jack Schuster (April 2016)**

Conley, Finkelstein and Schuster conducted an exhaustive analysis of IPEDS faculty employment data over a 20-year span, making comparisons across 1993, 2003 and 2013. They found that between 1993 and 2003, while the number of headcount faculty at all institutions—two- and four-year, public and private, and for-profit—grew by nearly two-thirds (65%), the number of *part-time* faculty more than doubled (115% growth rate). In glaring contrast, the number of *full-time* faculty expanded as well, but by merely 31%, less than half of the overall headcount growth rate. Moreover, among those full-time faculty, tenured and tenure-track positions increased by just 11%.

The irony is that just as the doors of academe began to open more widely for women and underrepresented minorities, the opportunity structure for academic careers has turned on its head. While underrepresented minorities held 13% of all faculty positions in 2013 (up from 9% in 1993), they held just 10% of tenured positions. Similarly, women held 49% of all faculty positions in 2013 (up from 39% in 1993), but they held just 38% of tenured positions.

The authors break down the data by actual numbers, proportions, and appointment categories to present a definitive view of today's academic workforce and how it has changed over the past 20 years. They analyze the progress (or lack thereof) for women and minorities, and examine the complex intersection of gender and race in the faculty ranks. The paper is based on the authors' book, *The Faculty Factor*, underwritten by the Institute and published by Johns Hopkins University Press in November 2016. See <https://jhupbooks.press.jhu.edu/content/faculty-factor> for more information.

## Leadership in action

### Leadership in Action: TIAA Institute Theodore M. Hesburgh Leadership Excellence Award Winners

#### **Maureen Devlin (March 2018)**

The 10 men and women recognized with the Hesburgh Award have led a wide range of institutions, from the largest four-year public system in the nation with more than 100,000 annual graduates, to a private 300-student institution that needed to be rescued, and a pioneering online competency-based college. They have successfully weathered existential challenges including an epic hurricane and crippling budget cuts. Their institutions serve among the highest numbers of low-income, minority and immigrant student populations—and rank at the top as engines of social mobility.

Devlin examines the lives and accomplishments of the Hesburgh Award winners to glean insights and ideas to help advance leadership excellence throughout higher education. Without exception, the award winners take a global view of their institution, synthesizing information from a range of sources to generate creative solutions to problems. One of their primary strengths is the ability to articulate inspirational visions. The award winners also display an astute willingness to take risks; a deep commitment to access to higher education and success for traditionally underserved populations; and a talent for building community and forging partnerships.

The author shares inspirational stories about the Hesburgh Award winners, who together have served as president or chancellor for 223 years—and all but two have done so at the same institution. Note, too, that six of the honorees still lead their institutions today, and so the count continues to climb. To date, their average tenure in office is 22 years; the national average in 2017 was 6.5 years. Several additional perspectives on leadership are included in the paper as well, on topics ranging from the future of undergraduate education to regaining the public trust and mission-driven leadership, among others. Contributors include senior TIAA executives and college presidents at different stages in their careers—retired, new and incoming—to enrich the viewpoints offered and enhance the value of the paper for higher education leaders.