Meeting the Challenges of the 1980's — A Perspective on Higher Education

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American colleges and universities have passed through a period since World War II of unprecedented growth spurred vigorously by increasing enrollments, expansion in technology, strong economic growth at home and abroad, and a public attitude which encouraged and nurtured expansion. Enrollments from 1940 to 1979 increased sixfold from 1.5 million to 9.7 million — a rate of increase ten times greater than that of the general population. Faculty numbers increased proportionately. Aggregate research budgets in higher education grew 20 times from under $100 million to nearly $2 billion in the late 70's. Current fund expenditures rose by more than 15 times in real dollars. This period is regarded as the "golden era" by many. It is marked by great scientific advances and exhilarating academic development despite the strong challenges associated with student unrest and growing external interest and involvement.

The vast majority of current administrators would welcome the opportunity to return to the "golden era". One distinguished university president recently looked toward management in the 80's and talked of the need for a "theory of bad options". Another commented that he "foresaw no pressing problems less money would solve." Few, if any, feel they are dealing totally effectively — and fewer gracefully — with the impacts of fundamental changes in our population, economy, and politics which are affecting all of our social institutions, not merely higher education.

Perhaps the most critical of these changed conditions is the substantial reduction in the traditional college age population and the impact it will have on enrollments and finances in higher education. Most reliable sources place the 18 year old population in 1995 at between 18 and 29 percent below that of 1979. The effects of these population changes will be mitigated for some institutions by (1) differential regional migration rates, (2) ability to attract new student clienteles, and (3) changes in participation rates of those eligible to attend. However, we are convinced that the impact of the decline in the traditional 18 to 24 year old pool cannot be totally offset by increasing the numbers of women, ethnic minorities, foreign students, older and part-time students. The number of older and part-time persons attending would have to double nationally by 1990 to offset the drop in 18 year olds. To look to major increases in foreign students ignores a growing excess capacity in higher education in several developed nations and the reluctance of state governments to fund enrollments composed of increasing numbers of foreign students.

These population dynamics are most complex. Public high school graduates in the Western region are projected to decline by 16 percent by 1990 as contrasted with 26 percent nationally. Within the West the variation is more striking. California declines by 24 percent whereas Wyoming increases 21 percent and Utah 12 percent. But, by 1995 these two, and others exhibiting growth to 1990, decline after that date.

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A further complication stems from the changing ethnic mix within states and localities. By 1990, California's public high school enrollments will be 56 percent nonwhite, in all likelihood reducing further the traditional eligibility pools. We believe each institution faces unique enrollment prospects in the 80's. We further believe that the popular disclaimer "Yes, it will happen to everybody but us" is either a classic example of the triumph of the academic mind over reality or of the politics of avoiding the "self-fulfilling prophecy."

We believe, further, that both public and private institutions will have grave difficulty keeping pace with rising costs per student, particularly if they are committed to retaining present production functions and aspire to retaining desired standards of quality. Student expenditures in real dollars have already dropped substantially in the past several years. Most institutions are expecting to raise tuitions and look to the federal government for additional financial aid appropriations. Universities and colleges are also cultivating new fund sources. The public universities are turning to the private sector for money and the private universities are seeking additional ways of obtaining more public funds. In addition, all institutions of higher education are attempting to make better use of their current resources. Despite all of these efforts, not all institutions will survive the 80's.

Colleges and universities will become increasingly involved in external political processes as they compete for scarce resources and as governmental interest in their internal affairs grows. These trends are obviously not independent! Institutional efforts to influence public policy will increase. The trend toward resolution of conflict through legal processes will increasingly force institutions into litigation and lengthy adjudication.

The 80's will see fewer students, tighter budgets, vigorous fund raising and continuing governmental interest and involvement. Forward-looking academic leaders increasingly are concerned about the ability of their institutions to meet adequately the needs of students, provide new knowledge, and otherwise serve the community that looks to them for intellectual leadership. They foresee an array of challenges that they and their institutions must surmount. They are also searching for the opportunities to improve their institutions as they try to respond to the challenges ahead and shape an uncertain future.

We see eight particularly important challenges for the 80's:

1. *Protecting and enhancing institutional quality.*

After a long period of growth every college and university has been left with some programs not fully developed and others of less than desired quality. In contrast, each has a number of programs in which it takes pride.

But, there are few institutions where the faculty and administrators will not quickly express concern over a general erosion of academic quality. They cite the increasing numbers of incoming students who are ill-prepared to meet expected standards of performance. They point out the advancing age of equipment, the deteriorating state of facilities and reduced flow of new vitality into the faculties. Increased class sizes and differential instructional loads among programs have also been cited as a contributing factor to quality decline.

Looking ahead, every institution must determine how best to remedy the imbalances among academic programs and to increase quality in the face of highly constrained resources. Strategies may call for eliminating weaker programs to free resources for greater concentration in the more distinguished programs — a strategy of selective excellence. Reallocating sufficient resources to a necessary but undernourished program is another.

The challenges to the faculty are to provide our expertise in evaluating program quality and to advise on necessary corrective actions. This is not easy and only the faculty can provide the needed academic advice. More

difficult for the faculty, perhaps, is to understand and to accept the fact that institutions can shrink in size and gain in quality.

2. *Maintaining financial viability and independence.*

The ravages of inflation are well-known to each of us and are clearly perceptible within our own universities and colleges. In addition to erosion from inflation, under current budget procedures, many of us may lose further resources as enrollments drop.

Looking ahead, all institutions must try to reduce the disproportionate influence of enrollments in determining resource needs and allocations. We must also continue to augment our budgets from other sources rather than relying solely on such single sources as increased tuition or governmental appropriations. We believe that multiple funding sources are an essential avenue to long-term financial viability and institutional independence.

The challenge to the faculty is to protect program quality in the face of strong financial incentives to maintain enrollments. Faculty members can work to attract new clienteles with quality academic programs and to hold them by improving the sadly deficient present retention rates. We should avoid destructive forms of competition for students at all costs.

3. *Keeping essential resources vital.*

For 35 years our institutional vitality has been provided almost solely through growth. It has brought the new faculty, programs, money and space considered to be the essentials of an academic environment.

Looking ahead, we must, without significant new money, find means of assuring the inflow of new ideas, providing new programs, positioning ourselves to take advantage of unforseen opportunities, and keeping our facilities productive.

The challenges to the faculty are to exercise increased care in selecting and advancing faculty and to look for personal opportunities for intellectual refurbishing. We must remember that the faculty are the primary source of academic innovations and new ideas on which institutional vitality depends.

4. *Strengthening management processes.*

During growth, management's miscalculations were usually not visible and were easy to correct. Next year's budget increase was to the president or dean what the landscape designer was to the architect on many of our campuses. Today, planning, resource allocation and evaluation processes are woefully inadequate to serve our needs in the 80's. We have not learned how to adapt the essential principles and practices of modern management to academic institutions. We have either dismissed them as inappropriate to a decentralized shared governance mode or, in adopting them, have built strongly centralized administrations, and thus have violated the very values and authorities essential to maintaining or achieving desirable institutional objectives in the long-run.

Looking ahead, academic and financial planning, undergirded by clear institutional objectives and sound program and performance evaluations, are the only legitimate means of reallocating resources to accomplish program change. Administrators must see that processes to deal with such critical issues as substantial budgetary reductions, program disestablishment, or faculty layoffs are established before the problems must be resolved. Developing these processes must involve those persons who will be implementing the planning results.

Faculty are challenged to help overcome the barriers to better institutional management. The difficult challenge to faculty will be to provide the essential academic perspectives on the most critical choices our institutions will have to face in a half-century. Many of these choices will require us to separate our self-interests from those of our institutions — a personal challenge that will test the best in us all. To pass this responsibility

externally is certain to cost us some of our independence, our control over academic programs, and, in the end, will be more painful individually and institutionally.

5. *Improving operational efficiency and productivity.*

Higher education is a highly labor intensive activity and the complex nature of its production functions, including multiple and interdependent outputs, places great responsibility on the integrity and energy of its human resources. Looking ahead, pressures to increase productivity and efficiency of its faculty and staff will mount. One state is attempting to increase student faculty ratios in direct proportion to estimated declines in faculty classroom contact hours as a means of increasing teaching effort relative to other obligations. This is not only a clear example of external pressure to increase productivity but also to change the distribution of faculty effort from research and service to classroom teaching. The institutions, knowing this issue, have been unwilling to address it for over a decade. The challenge will be for us to make the most effective use of our time — the most important and also the most expensive resource.

6. *Improving external understanding and strengthening partnerships.*

We have moved from a time of shared objectives and cooperative efforts among universities, fundors, and constituents to a period where our objectives are often challenged and our activities increasingly regulated. The deterioration in the relationship between the federal government and universities is illustrated by the shift from strong interest in research content to detailed control over expenditure of research funds including, in some cases, detailed effort and output reporting by individual faculty members.

Looking ahead, we must emphasize defining adequate measures of institutional accountability as a substitute for externally imposed reporting requirements and controls. The latter are often onerous, may not accomplish intended purposes, and may impair productivity. Overregulation makes it more difficult to achieve the flexibility we believe essential to improve efficiency, productivity, quality and to accomplish the necessary academic changes. Improved management processes can help restore confidence in institutional management and hopefully lessen pressure for greater governmental control.

The biggest challenge to the faculty is to understand the need for and our responsibility to meet legitimate institutional requirements. It is also our responsibility to find ways of helping to define policies and procedures for attaining adequate accountability. We must be prepared to assist our institutions in developing strong arguments when the need to challenge ill-conceived guidelines and directives arises. Beyond accountability, faculty and administrators are challenged to strengthen relations with a broad array of potential constituents and friends, groups who were neglected during the long period of growth and internal turmoil.

7. *Increasing participation rates and improving access.*

Past growth was based in large part on a growing percentage of high school graduates attending our colleges and universities. The national participation rate has increased, but there remains room for improvement particularly among women at the graduate level, minority, older and part-time students. Active recruitment from underrepresented groups, assisted by ample financial aid and on-campus support services, is changing the composition of student bodies markedly.

Looking ahead, institutions must seek alternative means of assessing potential success and actively assisting younger students to qualify for admission to a college of their choice. Increased amounts and flexibility in federal and state student aid will assist with these efforts. Faculty will be challenged to teach a more diverse student body.

8. *Learning to live more effectively with uncertainty.*

If one sets aside the uncertainties associated with the angry confrontations and turmoil on campuses in the sixties and early seventies, the planning parameters for higher education have been reasonably predictable since the end of World War II.

Looking ahead, can we expect as predictable an environment? We believe the answer is "no." External events are likely to affect profoundly institutional decisions. We are aware of the demographic changes and the resultant pressures in some states to close campuses. Not only is this politically difficult, but it may be a great mistake to dismantle institutions on the basis of current empirical evidence alone.

The taxpayers revolt in California nearly ushered in the present decade for public education in that state with its sharpest challenge in a half-century or more. At the national level, any major modification in federal policy related to financial aid or in the management (or lack of management) of inflation will have definite positive or negative short-term and long-term effects on academic institutions. Resumption of the draft, changing priorities toward military preparedness, or any serious attempt by government to influence industrial productivity in the United States will obviously impact what higher education will do and what resources it will have in the future. While none of us can infallibly predict the future, or even plan for "unique events," we can develop strategies that anticipate where the greatest changes are likely to occur and what they are likely to be — strategies that will enable universities to take advantage of new realities and to turn uncertainty into opportunity for improvement.

This is the challenge to us all. As we move ahead we must overcome the human proclivity for resisting and erecting barriers to any change. At the same time, we must be careful not to overreact to popular pressures to respond to what we may have good reason to believe are short-term aberrations.

We expect most institutions will meet some, or perhaps most, of these challenges of the eighties. What can be done to increase our probabilities of success?

First, academic leaders must alter some present attitudes on how problems are to be solved. Rather than look only to public sources for new money, they must broaden the base of financial support. This will increase independence and reduce vulnerability to abrupt changes in public policy, priorities, and enrollment levels.

Second, we must stop emphasizing quantity as a measure of success and give greater attention to quality of our programs and institutions. Quantity established the scope and shape of our colleges and universities — quality will determine their long-term character and value to society.

Third, since academic leaders, both administrative and faculty, are going to be faced with increasingly difficult and controversial programmatic and resource choices if they are to keep their institutions strong, they must develop planning, resource management and evaluation processes which are consistent with the nature of academic governance and match the individuality of each institution.

The role of effective leaders and an informed participating faculty is obvious. Without these ingredients, the chances of success are slight indeed.

Our great academic institutions have not gained their prominance because of the sophistication of their management alone, but their greatness has been assured by the initiative of far-sighted leadership. Now, given enrollment problems, inflation and attendent financial stresses, inflexibility in presently committed resources, and ever increasing political pressures, the chances of remaining great are heavily dependent on their being well managed both in fact and perception. To cope successfully with these challenges, most American colleges and universities will need to change their mode of operation, attitude, and understanding of institutional leadership. They will require

policies, processes, and modes of resource management that consciously foster academic change — change that is essential to institutional vitality.

The alternative is to have intellectual vitality stultified by external regulation and academic program directions set in greater measure by federal and state governmental policies which, in themselves, may be in conflict. Such institutional defenses as resorting to court challenges and increasing external political activity may provide partial short-term protection but two overriding questions must be faced: (1) Are such patterns of behavior in the best long-run interests of our society? and (2) What responsibility should the academic community bear to preserve intellectual rationality as we grapple with the challenging but divisive issues associated with true resource scarcity?