

Analytical Essay Assignment

Background of Darwin State University

Darwin State University (DSU) is a public, largely state-funded institution that is celebrated for its collegial work environment and quality undergraduate education in five fully accredited colleges: 1) arts and sciences, 2) business, 3) education, 4) fine and performing arts, and 5) journalism. Since its founding as “Darwin Teachers’ College” in the early twentieth century, numerous graduates have become prominent teachers, business executives, journalists, and community leaders throughout the institution’s state and region. The institution has also received national recognition for its diverse student body and faculty. While none of its programs are nationally ranked, each of the colleges have a strong reputation in the Darwin metropolitan area of approximately 500,000 residents. The institutional ethos of Darwin State University is reflected in its mission statement, which was last updated 15 years ago:

“The mission of Darwin State University is to stimulate economic development, cultural enrichment, and educational opportunities for the residents of the Darwin metropolitan area, with a special emphasis on access and service to underserved communities. DSU is especially proud of its learner-centered traditions which afford undergraduate opportunities to low-income communities in a variety of liberal arts and professional fields. Additionally, DSU offers a select number of graduate programs that train accomplished individuals for ethical leadership in business and civic life, as well as the cultivation of applied research that can improve humanity.”

In recent years, Darwin State University has been encouraged by the state Board of Regents to expand its masters and doctoral degree programs so that it can shift its Carnegie Classification from an M3 (Master’s Colleges and Universities with Smaller Programs) to an R2 (Doctoral University with High Research Activity). The Board of Regents is under no illusions that Darwin State will join the ranks of the top research universities in the country, as the endowment only has around \$200 million. Nevertheless, they do project significant population growth in the Darwin region, and they view the university as the most likely catalyst for the kind of scientific and economic innovation that will be necessary to support city and state development. Alumni - the vast majority of whom are proud of their institution - are also anxious to see Darwin State University develop a national reputation. The university’s five wealthiest alumni have pledged to donate a total of \$50 million in matching donations if the university can independently raise \$50 million for the creation of a Darwin Finches football team that can compete at a Division 1 level. Most faculty and staff, however, are not happy about these external pressures from alumni and the Board of Regents. Faculty specifically chose to work at Darwin State because of its commitment to teaching and service, and they would like to keep their current 3/3 and 4/4 teaching loads so they can prioritize undergraduate education and community service, rather than research and national prestige. Staff worry that the close-knit

culture of DSU will be lost if the university keeps growing. There are also rumors that the institution might outsource future staff jobs in housing, dining, and student services.

Organizational Problems

The president of Darwin State University is your friend. She was hired as president two years ago and has had a relatively smooth transition due to the institution's stable organizational culture and experienced administrative team. However, a recent pandemic has caused deep concerns about financial stability, and she has asked for your advice on a pressing issue that directly impacts the organizational culture of her institution:

She has been informed by the State Board of Regents that she needs to cut 12% of the institution's expenses for the next fiscal year, which runs from August 2021 to July 2022.

As background, the annual budget of Darwin State University is \$250 million per year. On an annual basis, \$100 million has traditionally come from state appropriations, \$100 million is drawn from student tuition, \$10 million comes from a 5% draw down of the institution's endowment, and \$40 million is drawn from a variety of other institutional activities, such as housing, food, summer camps, and continuing education. The state, however, wants to reduce their annual appropriations by \$20 million due to projected shortfalls in tax revenue. Moreover, a \$10 million loss is projected to the usual revenue-generating activities of the institution.

The state Board of Regents has authorized the president of Darwin State University to make any (or all) of the following cuts:

- 1) Cuts to entire departments
- 2) Cuts to individual programs
- 3) Furloughs across the institution at a percentage basis (at most 6%); the furlough cuts can be progressive or regressive across salary levels
- 4) Reductions to faculty retirement benefits
- 5) Faculty hiring and salary freezes
- 6) Administrative/staff hiring and salary freezes

None of these cuts, on their own, are enough to meet the full 12% reduction. They are, nevertheless, ranked from most impactful to least impactful. Cutting an entire department would largely spare the rest of the institution from fiscal pain. Reductions to retirement benefits would have a moderate impact, especially since the state has been looking for an excuse to attenuate their obligations to the university's pension plan for years. Hiring freezes would have a relatively small impact, but they could still move the needle. However, each of these cuts would have a correspondingly negative impact on Darwin State University's organizational culture.

In addition, the president can raise new revenue by either 1) increasing student tuition or 2) increasing the percentage of out-of-state students admitted to Darwin State University.

The Essay

The president is deeply concerned about the effect that this 12% cut will cause to the organizational culture of Darwin State. She has read distressing news reports about what recently happened at Ohio University¹ and the University of Arizona² in the wake of proposed budget cuts. Furthermore, she knows that you are an expert in the empirical and theoretical literature on organizational culture in higher education. Therefore, she needs you to craft a six to eight-page analytical essay that she can present to the Darwin State Board of Trustees. The essay should accomplish the following tasks:

- 1) The essay should explain which of the cuts the institution should prioritize to achieve a 12% overall reduction in the annual institutional budget. The president has a “pandemic task force” ready to work out specific financial details. As a result, you just need to rank which cuts she should employ and detail what their expected impact on the organizational culture will be.
- 2) One to two pages should explain why the institution should - or should not - increase student tuition and/or increase the percentage of out-of-state students who attend Darwin State University. Again, it will be helpful to think about what the effects of these decisions will be on Darwin State’s institutional culture and its aspirations.
- 3) The essay should craft a new, forward-looking mission statement for Darwin State that will either reaffirm the university’s commitment to remaining an M3 institution or announce its intention to become an R2 institution. Afterwards, you should explain the steps the institution will take in future years to achieve the goals outlined by the mission statement.

You may address these three issues in any order you like. Throughout the essay, please reference our class literature to bolster your arguments, particularly as they relate to different aspects of institutional culture that are worthy of consideration. If any of the readings from your other classes, such as finance in higher education, are applicable, please feel free to reference them. Also, I would encourage each of you to share your drafts with your classmates for peer feedback before turning them into me on August 6. I do not mind if you share ideas with each other or help each other refine arguments. In fact, I would encourage it!

¹ <https://www.chillicothe Gazette.com/story/news/2020/05/04/ou-professors-protest-layoffs-140-university-employees/3077747001/>

² <https://www.wildcat.arizona.edu/article/2020/06/n-coalition-for-academic-justice>