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# Exploring the Connection between Christian Colleges' Mission and Finance

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EXPLORING THE CONNECTION BETWEEN CHRISTIAN COLLEGES' MISSION  
FIDELITY AND FINANCIAL HEALTH

by

FARRAH R. SENN

(Under the Direction of Daniel Calhoun)

ABSTRACT

Two main issues currently threatening Christian colleges include mission conflict and financial viability, and research suggests that there is a relationship between these two. However, current literature about the relationship between mission and finance is mostly qualitative in nature, either being case studies or observations of practice. This research set out to establish the nature of the relationship between mission fidelity and financial health using quantitative methodology. A survey instrument was used to quantify mission fidelity for 81 colleges in the Coalition of Christian Colleges and Universities (CCCU), a national organization of Christian colleges, using Benne's (2001) Typology of Christian Colleges as a guide. This mission fidelity grouping was statistically correlated with a college's score on financial health using the Department of Education (DOE) Financial Responsibility Test as well as *Forbes* College Financial Grades.

Results are discussed in relation to a college's placement in Kotter's (2007) Phases of Transformation and MacTaggart's (2007) Turnaround Cycle. Despite the qualitative research which suggests otherwise, the results of this study indicate that there is no relationship between a college's mission and its financial health. In addition, findings reveal a correlation between

financial health and the transformation phase, and a correlation between the transformation phase and the turnaround cycle. Implications for educational leaders and recommendations for future research are also included, as the the reliability of the instrument used may prove useful for future studies in this area.

INDEX WORDS: Christian college mission, Christian college finance, College mission, Mission and finance, Financial health, Financial indicators, Strategic planning

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## **DEDICATION**

This document is dedicated in honor of my family, including my daughters Mikayla White and Annelise Mullis, my parents, Farris and Dianne Senn, my brother and sister-in-law, Jonathan and Maria Senn, and my nephews, Jon Eric and Riley Senn, for their understanding, loving, and caring support throughout this process; to my former supervisor, Ms. Willie Paulk, who encouraged me to get “as much education as humanly possible”; to both my grandmothers, Mrs. Johnny Mae Heath and Mrs. Melissa H. Senn, for being strong courageous women, and, along with my grandfather Yome Lee Heath, Jr., providing me with unconditional love that formed the foundation of my confidence; to Ms. Donna Forth, who swore to come see me “get my funny hat” one day; in memory of my friend, Christy Sumner, who left us way too early; and, finally, this is dedicated, and completed, in spite of all the hardships and heartbreaks that came along during this journey.

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## **CHAPTER 1**

### **INTRODUCTION**

American higher education institutions operate in a dynamic and complex environment. This environment is arguably even more complex for America's Christian colleges and universities that face additional challenges unique to faith-based education. While all institutional leaders are primarily focused upon the academic development of their students, those working at Christian colleges must also attend to the spiritual aspect of student education (Henck, 2011). The mission of most religiously affiliated colleges requires that they not only provide the academic curriculum equivalent to other colleges, but also to incorporate religious and spiritual teaching through various methods including coursework, activities, and student life. Balancing the dual "field imperatives" of nurturing students both academically and spiritually can be very difficult for leaders at faith-based institutions (Taylor, 2015). This mission conflict manifests itself in such areas as student recruitment, faculty hiring, faith and learning integration, and accreditation to name a few. For example, many colleges are tempted to relax church affiliation requirements in order to recruit more students and boost enrollment, to relax church affiliation requirements for faculty in order to obtain faculty members with better credentials, to abandon faith and learning integration in favor of more popular secular models of education, and to capitulate to regional accrediting institution requirements.

In addition to this complexity, in recent years Christian colleges have struggled financially (Baker, 2012). While the National Center for Educational Statistics lists the number of religiously affiliated colleges at 970 in 2008, within the last 15 years, 49 Christian colleges and universities succumbed to financial difficulties and closed. These financial difficulties have

been attributed to a variety of things, including but not limited to the general devaluing of liberal arts education and commodification of educational degrees (Baker, 2012; Logan & Curry, 2015), the decline of Christianity (Curry, Rodin, & Carlson, 2012; “The Future of World Religions”, 2015), secularization (Baker, 2012; Dosen, 2012; Swezey & Ross, 2012), and globalization (Carpenter & Ntarangwi, 2015). The two most often cited areas of focus regarding the decline of Christian colleges and universities, however, are mission conflict (Donahoo & Lee, 2008; Reeder and Pacino, 2013; Taylor, 2015) and dwindling finances (Curry, Rodin, & Carlson, 2012; Fletcher, 2013).

In an effort to combat these financial issues, educational leaders at Christian institutions have suggested a number of possible solutions. As described in Carey’s (2014) qualitative study, the route taken by most colleges is often one of two alternatives: an athletics-based model or a mission-focused model. The athletics-based model focuses on increasing student enrollment via sports programs on campus. The aim of this model is that by recruiting students to play collegiate sports and increasing interest in the athletic programs, that more students will attend and remain at these schools. The mission-focused model refocuses the school on its spiritual mission which often increases denominationally-related support. The goal with this model is to recruit faculty and students based on their desire to attend or work at a school with a specifically-focused mission, which often increases the enthusiasm for support of the school by the larger religious community in the way of goodwill and financial contributions (Carey, 2014).

While both options have had varying results in terms of institutional success (Carey, 2014), many Christian schools do not have the capital or acreage needed to build and grow a vibrant athletics program, so the athletics-based model would not be an option. There have been some success stories that present a possible avenue to improvement based on the mission-

focused method. One such case is that of Waynesburg College (Dittmar, 2009). This institution was on the brink of collapse in 1995, with struggling enrollment and a myriad of financial issues. However, after school leadership made a conscious effort to reinvigorate the school's mission by implementing stronger wording in the mission statement and a conscious effort to tie decision-making and planning to that mission, the college made a dramatic turnaround. Enrollment and retention numbers steadily rose, and with that rise came financial relief. The institution gained full membership into the Council of Christian Colleges and Universities (CCCU) in 2003 and achieved full university status in 2009 (Dittmar, 2009).

Given the widespread financial problems of many Christian colleges, Waynesburg's successful turnaround suggests that through a mission-focused approach, there is potential for other schools to return to vitality amid the milieu of challenges facing Christian higher education today. Waynesburg's success (Dittmar, 2009) and other literature (Carey, 2014; Cowen, 1993; Head, 2009; MacTaggart, 2007) have suggested that there is a relationship between a college's adherence to its mission (mission fidelity) and its financial health. Determining and possibly capitalizing on this relationship could be an avenue for much needed reinvigoration within these institutions.

### **Statement of the Problem**

In the United States today, Christian higher education institutions, like all higher education organizations, are facing turbulent times. A number of forces are exerting internal and external pressure on colleges and universities to change the way they operate. These pressures often act in opposition to one another, as is evidenced by the prevalent problem of mission conflict in Christian colleges and universities. Given the difficult financial times in which Christian colleges currently operate, current literature emphasizes the importance and

interconnectedness of mission and financial performance, but there is no extant literature that establishes whether such a relationship quantifiably exists. Therefore, the purpose of the project is to determine whether there is a relationship between Christian colleges' financial health and the level of secularization of their spiritual mission.

### **Research Questions**

In order to understand how Christian colleges can begin to overcome the multitude of challenges faced in today's higher education climate, the following research questions were used for this study:

- 1) What is the relationship between mission fidelity and financial health at Christian higher education institutions?
- 2) Does the relationship of mission fidelity and financial health vary across stages of the turnaround cycle at Christian higher education institutions?
- 3) Does the relationship of mission fidelity and financial health vary based on a college's phase in the transformation process at Christian higher education institutions?

### **Procedures**

Given the literature and the research questions developed, it was hypothesized that the higher the level of mission fidelity, the better the financial success of the institution. In other words, colleges determined to be "orthodox" according to Benne's (2001) Typology should have higher scores on the financial indicators, while colleges determined to be "accidentally pluralist" should have lower scores on the financial indicators. In order to test the hypothesis, a quantitative study was done by creating a survey instrument adapted from the research of Benne (2001), Kotter (2007), and MacTaggart (2007). This survey was administered to faculty at

Christian schools that are members of CCCU and was correlated with the respective school's DOE score and *Forbes* College Financial Grades.

Then, looking at the results and the corresponding information on the college's organizational culture using the college's location on Kotter's Eight Step Process to Organizational Change (2007), and placing the colleges in MacTaggart's (2007) Three Stages of the Turnaround Cycle informed discussion of the findings and drew out information for future consideration in this area. By first determining a school's level of mission fidelity and then correlating that to the respective school's financial health indicators, this quantitative hoped to ferret out the relative financial merit of the mission fidelity in Christian education as well as give schools in financial crisis a starting point to begin recovery. Additional information about procedures can be found in Chapter 3.

### **Significance of the Study**

The results of this study could inform the administration of Christian colleges about the relative importance of the college's mission to its financial well-being or what type of relationship, if any, exists between the two. This information could provide those in Christian college leadership roles with a better understanding of how they can poise their schools for financial turnarounds. In addition, this information could provide scholars with a starting point from which to improve and expand this type of research or look elsewhere for possible solutions to the mounting financial problems of Christian higher education.

The exploration and understanding of this relationship is significant to several areas within the higher education leadership community. First, administrators at colleges in financial distress will have information on which to base decisions regarding how to begin to turn the school around. This information is particularly insightful for strategic planning processes,



including especially mission development. Further, as Benne's (2001) Typology touches on different areas of the college, this information will be of benefit in other ways as well. Since part of the typology looks at support given by the sponsoring denomination, denominational headquarters and affiliates can better understand how their level of support bears on mission and finance. Likewise, college governing boards will have information regarding how their make-up may relate to the colleges' mission /finance relationship. College public relations officers will have information regarding the importance of public rhetoric such as the communicated mission statement, human resource managers and hiring committees will be better informed regarding the importance of hiring faculty from the sponsoring tradition, college admissions representatives will better understand the importance of recruiting students from within the sponsoring tradition, the Provost and Faculty governing boards will understand the relevance of religion and theology requirements, student life employees will better understand how chapel requirements relate to mission and finance, and deans of students and others will be able to gauge the importance of conduct codes and residence life regulation on the college's ethos. In fact, because of the comprehensiveness of the typology to be used and the centrality of mission and finance, it is more difficult to determine which areas of college administration and life that this information does not impact.

### **Definition of Terms**

Several terms used in this project need further clarification, especially for readers unfamiliar with the financial indicators to be used. First, the working definitions of "mission", "mission statement", and "mission fidelity" should be delineated. Also, financial indicators to be considered include the IPEDS report, the DOE Responsibility Test, CFI, and *Forbes* Financial

Grades. In addition to “mission fidelity”, other variables used including financial health, turnaround cycle, and transformation phase require fixed definitions.

### **Mission**

Mission can be defined as an institution’s main purpose, or the reason the organization exists within a society (Camelia & Marius, 2013). In particular, the “mission” of higher education is foremost to educate, but for Christian colleges, their mission is to enhance students spiritually as well.

### **Mission Statement**

The mission statement, or the officially stated mission of the school, should for all intents and purposes embody the “mission” of the organization. The mission statement is often developed, reviewed, and possibly renewed through the strategic planning process. For Christian schools, the mission of spiritual transformation should be reflected in its actions as well as its mission statement for that reason. Therefore, the words “mission” and “mission statement” are often used interchangeably throughout this research.

### **Mission Fidelity**

Two other related concepts are “mission fidelity” and “mission conflict”. In this research, mission fidelity is defined as the level of adherence to mission, while mission conflict is the level of conflict between the spiritual and the educational mission of Christian colleges. Mission fidelity will be determined via faculty perception surveys based on Benne’s (2001) Typology of Christian Colleges on a scale of 1 to 4, with 1 being “accidentally pluralist” or more secular, and 4 being “orthodox”.

**Orthodox.** Schools that fall into this category have a pervasive public Christian vision, strict membership requirements for faculty and students, large or influential religion/theology

departments, required religious courses, and required chapel attendance. They also have overt overtones of the sponsoring tradition or denomination, generous support and a majority of students from the sponsoring tradition or denomination, and are owned and governed by a church or church-affiliated board. These schools are the most closely aligned with their Christian mission.

**Critical mass.** Schools that fall into this category, privilege the Christian public vision, are a Christian school but may emphasize inclusivity in their public rhetoric, have a critical mass of members of the faculty and students from the sponsoring denomination, a large religion/theology department that is a flagship of the institution, two to three required courses, voluntary chapel at protected times, the sponsoring denomination dominates the school's ethos. Also, there is important support from the sponsoring denomination, and a simple majority of students from that denomination, and a majority of the board is from the sponsoring denomination.

**Intentionally pluralist.** Schools that fall into this category assure a voice to the Christian vision publically, present themselves as a liberal arts school with Christian heritage in their public rhetoric, have some intentional representation from the sponsoring denomination, have small religion/theology departments, require only one course in religious studies, do not require chapel attendance. Also, these schools tend to have an open minority from the sponsoring denomination, indirect support from the affiliated denomination, and a minority of members from that denomination represented on the governance board.

**Accidentally pluralist.** Schools that fall into this category may have little or no public relevance of Christian vision, present themselves as a secular school in their public rhetoric, have a haphazard and unintentional sprinkling of faculty and students from the affiliated

denomination, a small religious studies department, only elective religious courses, and seldom hold chapel. They also might have a minority of members from the sponsoring denomination but they are unorganized. These schools receive only indirect support from the sponsoring denomination and may not even record students' denomination in application processes. They also have only token membership from the sponsoring denomination on the sponsoring denomination. These schools are the most secular of the four categories.

### **Financial Indicators**

Several financial indicators are used for various purposes in higher education. They include the IPEDS report, the DOE Responsibility Test, the Composite Financial Index, and the *Forbes* College Financial Grades.

**IPEDS.** One measure relied upon for reliable financial data in the 1970s and 1980s was from the Higher Education General Information Surveys (HEGIS), now known as the Integrated Postsecondary Education Data System (IPEDS). Colleges that participate in federal financial aid programs are included in these reports which include figures on enrollment, program completion, graduation rates, faculty and staff, institutional pricing, and student financial aid. The information contained in the IPEDS reports is especially useful for assessing trends in enrollment, employment, expenditures, and degrees earned (U.S. Department of Education, 2015).

**DOE Responsibility Test.** The United States Department of Education (DOE) uses a different type of financial measure. The DOE has also developed a Financial Responsibility Test scoring system, and all schools that award federal financial aid are assessed using this test (Hunter, 2012; Ries, 2014). The DOE rating is a composite of three ratios based on information from a school's audited financial statements (Ries, 2014), including the following: the primary

reserve ratio, which measures viability and liquidity; an equity ratio, which indicates the school's capital resources and borrowing potential; and a net income ratio, which measures a school's profitability (Ries, 2014). According to the scoring system, a school with a composite score from -1 to less than 1.0 is found to be not financially responsible, a score of 1.0-1.4 is financially responsible but requiring additional oversight, and a 1.5 to 3.0 is financially responsible (Ries, 2014). Schools must maintain an adequate score to maintain eligibility for federal financial aid, and schools that fall below the adequate score risk increased cash monitoring, which puts additional requirements on reporting and cash handling that can be cumbersome and problematic (Hunter, 2012). Recently, 149 non-profit colleges failed the DOE's Financial Responsibility test (Hunter, 2012), but many question the legitimacy of the DOE test due to the large number of schools falling below the optimum score. Wallace (2011) cautioned that the DOE test is better at determining when institutions are in severe financial distress more so than as a measure of overall financial health.

**Composite Financial Index.** The Composite Financial Index (CFI) is another score commonly used by schools and affiliated accrediting agencies to assess financial health. The CFI is generally accepted as a reliable measure of a college's financial strength and is calculated annually by the Austen group for CCCU institutions. It includes data drawn from multiple sources, including the IPEDS data (Hunter, 2012). The CFI score ranges from 1 to 10 and is computed from four ratios: the primary reserve ratio, or how flexible the institution's finances are, the net income ratio, the return on net assets ratio, and the viability ratio, or the school's ability to handle debt with available resources (Supplee, 2014). Each ratio is calculated and weighted, and then the ratios are combined to produce a composite score to provide an overall gauge of an institution's financial health (Hunter, 2012). For each score range, the CFI scoring

guide provides a corresponding institutional action required at for each of 10 levels. For example, the lowest, -1 to 1 requires that the school assess the viability of the institution's survival while a score from 7-9 suggests that a school is in shape to experiment with new initiatives and pursue a robust mission (Hunter, 2012).

**Forbes College Financial Grades.** Another indicator of financial health is published by *Forbes* magazine. *Forbes* assigns private college a grade of A, B, C, or D, using a composite that includes nine components such as endowment assets per FTE, the primary reserve ratio, the viability ratio, the core operating margin, tuition as a percentage of core revenues, return on assets, admission yield, freshmen merit aid, and instructional expenses per full-time students.

**Financial Health.** One of the primary variables in this study is the financial health of an institution. For purposes of this study, financial health will be assessed using both the DOE Financial Responsibility score as well as the *Forbes* College Financial Grade GPA score, both described above. The DOE rating is on a scale of -1 to 3 and the *Forbes* rating is from 1 to 5.

**Turnaround Cycle Stage.** Another of the main variables in this study is a school's stage in the turnaround cycle based on MacTaggart's (2007) Stages of the Turnaround Cycle. For purposes of this study, the turnaround cycle stage will be assessed on a scale 1 to 3, with scores close to 1 indicating the early stages of the turnaround cycle and scores closer to 3 indicating the latter stages.

**Transformation Phase.** Another variable of interest in this study is a school's phase in the transformation process. This variable is based on Kotter's (2007) Eight Phases of the Transformation Process and will be assessed for each school using a survey item which will place it somewhere on a continuum between 1, or the first phase of the transformation process, and 8, the latter phase.

## **Chapter Summary**

The challenges facing higher education can seem overwhelming to those in leadership roles charged with making improvement in a school's outlook. Along with a variety of societal and economic pressures and some difficult demographic realities, the pressing issues of how to deal with mission conflict and financial difficulties at today's Christian college's is a real threat to the survival of many of CCCU's member institutions. Based on other colleges' experiences and literature, one possible route to financial improvement may be to bolster and enforce the college's mission. The purpose of this project was to determine and quantify the relationship between a school's alignment with its mission and its corresponding financial health. In other words, is there a relationship between mission fidelity and financial health? By using Benne's (2001) typology to determine colleges' mission fidelity and current financial health indicators of the schools within the CCCU to determine their financial viability, statistical correlation can be calculated to see if there is a relationship between these variables. Using Kotter's (2007) Eight-Step Process to Organizational Change and MacTaggart's (2007) Three Phrases of the Turnaround Cycle as a framework to interpret the findings, this research can provide leaders in higher education a place to begin positive improvements for their respective organizations.

## **Organization of the Study**

This study is organized into five chapters including the introduction, literature review, methodology, data analysis, and discussions of research findings. Chapter 1 provided an introduction to the study and includes background on the topic, a statement of the problem, the conceptual framework to be used, the research questions, the significance of the study, definitions of terms used, and limitations/delimitations and assumptions. Chapter 2 provides information on the existing literature, including literature on the present challenges for American

higher education, challenges specifically for Christian higher education, financial issues in Christian higher education, strategic planning, and mission and financial health. Chapter 3 describes the methodology to be used and includes a review of the literature research, the research design, the population and sample to be used, the instrumentation, the data collection and analysis processes and ethical considerations. Chapter 4 covers the data analysis once the data are obtained and Chapter 5 discusses the research findings.



## CHAPTER 2

### REVIEW OF RELATED LITERATURE AND RESEARCH

Baker (2012) and other higher education scholars often describe America's Christian colleges as operating within two spheres: the academic and the spiritual. While secular institutions are most concerned with the academic sphere, Christian colleges must attend to the spiritual as well (Henck, 2011). In addition to this complexity, in recent years Christian colleges have struggled financially (Baker, 2012). Many proffer various solutions, but the case of Waynesburg College, among others, presents a possible avenue to improvement. Namely, after a conscious reinvigoration of the school's mission, the college, which was on the brink of collapse in 1995, made a dramatic turnaround, gaining full membership into the Council of Christian Colleges and Universities (CCCU) in 2003 and achieving full university status in 2009 (Dittmar, 2009).

Given the widespread financial problems of many members of CCCU, Waynesburg's successful turnaround suggests that there is potential for other schools to return to vitality amid the milieu of challenges facing Christian higher education today (Dittmar, 2009). The purpose of this literature review is to first explore the current context of Christian higher education, including the various socio-economic pressures exerted upon institutions, with emphasis on mission conflict and financial challenges, and to begin to better understand how these two concepts might be related. In other words, if Waynesburg's experience is not anecdotal but signals a possible way out of financial distress for struggling schools, one central question becomes whether there is a relationship between Christian colleges' financial health and the level of conflict between their religious and academic missions. By more comprehensively understanding the many variables involved in this situation, Christian college leaders can forge

ahead more fully informed on the relative importance of the college's mission on their financial well-being.

### **Organization of the Literature**

This chapter provides a review of the literature related to the present research regarding mission fidelity and financial health. This chapter is divided into sections including: conceptual framework, present challenges for American higher education, challenges for Christian higher education, financial issues in higher education, the role of strategic planning, and finally, the relationship of mission and financial health. In addition to the subsection regarding present challenges for American higher education, the challenges for Christian higher education are discussed including a) the decline of Christianity in the U.S. and the World, b) secularization, postmodernization, and urbanization, c) diversity and globalization, d) internal pressures, e) faculty recruitment and scholarship, f) perception of inferiority, g) mission conflict, and h) faith and learning integration.

The third subsection covers financial issues in Christian higher education, including indicators of financial health such as the IPEDS report, the DOE Responsibility Test, the Composite Financial Index score, and *Forbes* College Financial Grades. Funding sources such as alumni and donor giving, endowment, government support, tuition, and denominational giving are also discussed along with financial challenges. The third subsection closes with discussion regarding successful financial turnarounds. Subsection four covers the role of strategic planning in higher education and subsection five covers the relationship between mission and financial health.

## Conceptual Framework

Three different theories inform distinct areas involved in this study: Benne's (2001) typology of Christian colleges, Kotter's (2007) Eight-Step Process of Leading Change, and MacTaggart's (2007) Three Stages of College and University Revitalization. In this research, Benne's (2001) Typology of Christian colleges will be used to help develop grouping data for the dependent variable. Once colleges are grouped according to Benne's (2001) Typology and their respective financial status is correlated, Kotter's (2007) Eight-Step Process to Organizational Change and MacTaggart's (2007) Three Stages of College and University Revitalization will aid discussion and interpretation of the results.

First, the preeminent framework of this study is Benne's (2001) typology. Benne's typology establishes criteria to judge the amount of secularization at an institution. In other words, the typology shows the college's relationship to its spiritual mission. As shown in Figure 1, using nine factors to study a school's religious heritage, Benne (2001) created a continuum on which to place a college from *orthodox*, *critical mass*, *intentionally pluralist* or *accidentally pluralist*. The factors observed include public relevance of Christian vision, public rhetoric, membership requirements, religion/theology departments, religion/theology required courses, chapel requirements, ethos, church support, and governance.

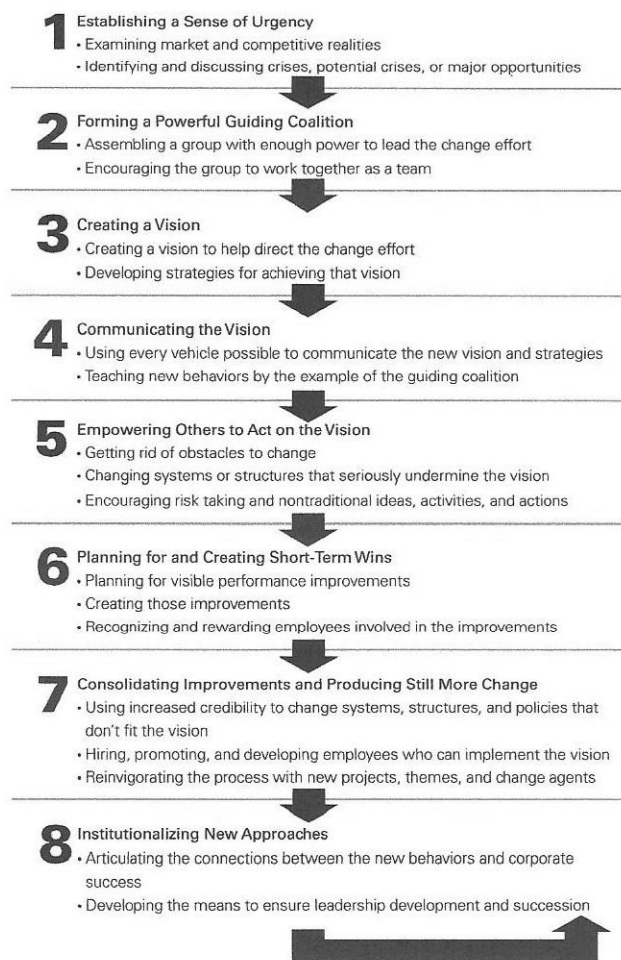
Using these criteria as a guide, Benne (2001) provided a way to analyze the strength of connection to a school's religious heritage on a spectrum from completely religious to completely secular. Using this typology to place the colleges studied along this spectrum will further inform this study, and the items used by Benne (2001) can be adapted and encompassed in the survey as well to gather this information.

Types of Church-Related Colleges				
	Orthodox	Critical-Mass	Intentionally Pluralist	Accidentally Pluralist
<b>Major divide:</b>	the Christian vision as the organizing paradigm		versus	secular sources as the organizing paradigm
<b>Public relevance of Christian vision:</b>	Pervasive from a shared point of view	Privileged voice in an ongoing conversation	Assured voice in an ongoing conversation	Random or absent in an ongoing conversation
<b>Public rhetoric:</b>	Unabashed invitation for fellow believers to an intentionally Christian enterprise	Straightforward presentation as a Christian school but inclusive of others	Presentation as a liberal arts school with a Christian heritage	Presentation as a secular school with little or no allusion to Christian heritage
<b>Membership requirements:</b>	Near 100%, with orthodoxy tests	Critical mass in all facets	Intentional representation	Haphazard sprinkling
<b>Religion/theology department:</b>	Large, with theology privileged	Large, with theology as flagship	Small, mixed department, some theology, but mostly religious studies	Small, exclusively religious studies
<b>Religion/theology required courses:</b>	All courses affected by shared religious perspective	Two or three, with dialogical effort in many other courses	One course in general education	Choice in distribution or an elective
<b>Chapel:</b>	Required in large church at a protected time daily	Voluntary at high quality services in large nave at protected time daily	Voluntary at unprotected times, with low attendance	For few, on special occasions
<b>Ethos:</b>	Overt piety of sponsoring tradition	Dominant atmosphere of sponsoring tradition — rituals and habits	Open minority from sponsoring tradition finding private niche (Dominantly secular atmosphere)	Reclusive and unorganized minority from sponsoring tradition
<b>Support by church:</b>	Indispensable financial support and majority of students from sponsoring tradition	Important direct and crucial indirect financial support; at least 50% of students	Important focused, indirect support; small minority of students	Token indirect support; student numbers no longer recorded
<b>Governance:</b>	Owned and governed by church or its official representatives	Majority of board from tradition, some official representatives (College or university is autonomously owned and governed)	Minority of board from tradition by unofficial agreement	Token membership from tradition

Figure 1. Benne's (2001) Typology of Christian Colleges

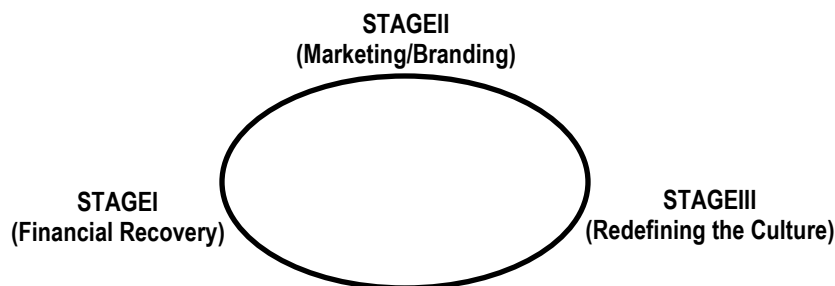
While Benne's (2001) Typology will be used to determine mission fidelity, Kotter's (2007) Eight-Step Process to Organizational Change can help interpret the results by determining where an organization is in the change process, or its transformation phase. As shown in Figure 2, Kotter describes the following stages: 1) establish a sense of urgency, 2) form a powerful

guiding coalition, 3) create a vision, 4) communicate the vision, 5) empower others to act on the vision, 6) plan for and create short-term wins, 7) consolidate improvements and produce more change, and 8) institutionalize new approaches. According to Kotter, change efforts can falter at each stage if the whole idea of change is not understood as a continual process instead of a one-time event. Understanding where an organization is at in this process is key. For example, if a college has just modified its mission, the school may be a different stage in the change process than a school that has not yet decided a change is needed. In essence, it can help inform a school's level of mission conflict. A college may have a high level of mission conflict, but it may either be that it is a newly revised mission and the stakeholders are just beginning to adjust, or it could be that this is an outdated mission that is need of change. Operationalizing these phases into a survey item allows faculty respondents to provide their perception regarding in which phase of the transformation cycle their school is currently. This information will be used to see whether there is a difference in the level of integration of mission and finance for schools in different phases of transformation.



*Figure 2.* Kotter's (2007) Eight Steps to Transforming Your Organization

In addition to understanding organizational culture and where an organization is in the change process, another framework that can help inform this study was developed by MacTaggart (2007) who studied 40 colleges and universities in financial distress and developed a conceptual framework for schools that achieved a financial turnaround. This turnaround circle involves three phases. As shown in Figure 3, the first phase is restoring financial stability, the second involved enhanced marketing of academic programs and institution branding or rebranding, and the third stage was a shift in culture. MacTaggart's model indicates the inter-relation of financial stability and academic identity in these turnarounds.



*Figure 3.* MacTaggart's (2007) Three Stages of the Turnaround Cycle

Carey (2014) conducted a qualitative study on two different colleges which had recently undergone a financial turnaround using MacTaggart's (2007) work as a guide. He noted eight things common to both schools. First, the governing board of the schools recruited a president who was up for the challenge. Next, that president designed a compelling turnaround plan and took immediate action to correct the most pressing problems. Key constituencies supported the president, and those who could not embrace the plan were let go. The president increased fundraising efforts and communicated a clear direction for the future, and the institution identified an aspect that would be a catalyst for student enrollment growth which translated into revenue. While one of the school's chose a plan that involved improving athletic facilities, the other focused on clarifying and reinvigorating the mission as a main component of the financial recovery. Just as in MacTaggart's study, the turnaround began with a clear plan or direction.

MacTaggart's (2007) Three Phase Turnaround Cycle and Kotter's (2007) Eight-Step Process of Organizational Change was used in this study to better help describe each school's momentum. Mainly, since schools now are more apt to participate in a "continuous improvement" style of strategic planning due to accrediting requirements and good practice, while a school may fall into one particular category on Benne's (2001) Typology now, the

school's position relative to the turnaround cycle and the change process could have helped elucidate not only its current position more fully, but also its trajectory.

These frameworks complement each other by furthering the understanding of the relationship of a school's mission to its finances. Benne's (2001) Typology showed how closely allied a school is to its spiritual mission, Kotter's (2007) Eight-Step Process to Organizational Change showed in what phase of transformation a school is in the change process, and MacTaggart's (2007) Three Phase Turnaround Cycle also showed which stage a school is at in regards to making dramatic change. Ultimately, this information hoped to show how a school's relation to its mission affects its financial health, and if where they are in their turnaround cycle and change process mitigates that relationship.

### **Present Challenges for American Higher Education**

All institutions, both Christian and secular, within American higher education must respond to a myriad of challenges. These issues include the declining perception of liberal arts education (Baker, 2012; Logan & Curry, 2015), decreased state and federal funding (Beattie et al., 2013), and the effects of the 2008 economic downturn (Curry, Rodin, & Carlson).

#### **Declining Perception of Liberal Arts Education**

College leaders, students, parents, and governmental funding bodies have begun to question the value of liberal arts education in the current economic climate which privileges the more scientific and technological fields of study. Higher education has long been criticized as aloof, elitist, ineffective, and overpriced, and the threat is larger now with trends toward lower institutional and departmental autonomy, shifting student interests, and the influence of the *knowledge economy* (Logan & Curry, 2015). Student and societal demands fail to recognize the importance of liberal arts education in developing the whole person as a critical thinker and tend



to think more in terms of return on investment, causing a trend toward professionalization of the curricula (Logan & Curry, 2015). This, in turn, causes institutions of higher education to reevaluate their programs and give preference to those which are more financially advantageous, many times elbowing out liberal arts programs of study (Logan & Curry, 2015). Baker (2012) argued that this emphasis on financially motivated decision-making may result in the commodification of education as a product to be bought and sold. College and university leaders must decide how to react to the devaluation of liberal arts education.

### **Decreased Governmental Funding**

In addition to the declining status of liberal arts education, state and federal funding for higher education has also declined in recent years (Beattie et al., 2013). In addition, some state legislatures changed the funding formula from full-time equivalent (FTE) based on enrollment to retention, progression, and graduation (RPG) rates (Beattie et al., 2013). In-depth discussion of the far reaching effects of declining state funding and the change in formula fall outside the scope of this review, but there is no doubt of the current and potential impact of such decisions.

### **Economic Downturn of 2008**

The after-effects of the economic downturn that hit the United States in 2008 only exacerbated the adversity faced by higher education institutions (Curry, Rodin, & Carlson, 2012). This downturn caused severe fiscal stress for non-profits, including private higher education, not only causing problems for students paying higher private college tuition, but also in the area of decreased giving in fundraising activities (Curry, Rodin, & Carlson, 2012). Higher education organizations are searching for ways to make the right decisions to survive financially and are especially looking for funding models that will sustain them.

## **Challenges for Christian Higher Education**

As a subset of American higher education, Christian colleges and universities experience these difficulties and more. Approximately 900 of the 4,400 degree granting institutions in the United States are religiously affiliated, and 300 of those are identified as Christian (Schreiner & Kim, 2011). While Christian colleges share many of the same attributes and challenges of higher education in general, Christian colleges tend to be smaller, have a more demographically homogenous study body and faculty, and focus on an undergraduate liberal arts education (Schreiner & Kim, 2011). According to a study conducted by Schreiner and Kim (2011) comparing Christian college graduates to graduates from secular schools, students from the CCCU schools studied invested more hours studying or doing homework, showed increased degree aspiration, and higher levels of engagement in informal social and personal interactions with faculty. However, they showed less participation in diverse curriculum, less peer interaction, and were less likely to interact with students from different racial or ethnic groups outside of the classroom.

Though Christian higher education institutions have somewhat different student-body make ups and offer a different experience than their secular counterparts, the challenges for Christian higher education in the United States mirror those of higher education in general and include additional issues unique to sectarian education. Christian colleges also face a host of issues emanating from the decline of Christianity (Curry, Rodin, & Carlson, 2012; “The Future of World Religions”, 2015), secularization (Baker, 2012; Dosen, 2012; Swezey & Ross, 2012), pluralism (Rine, 2012), diversity (Fletcher, 2013), globalization (Carpenter & Ntarangwi, 2015), admission policies (Baker, 2012), perceptions of inferior quality (Baker, 2012; Donahoo & Lee, 2008; Swezey & Ross, 2012) and an oversaturation of schools. However, the most prominent

issues involve mission conflict (Donahoo & Lee, 2008; Reeder and Pacino, 2013; Taylor, 2015) and funding (Curry, Rodin, & Carlson, 2012; Fletcher, 2013).

### **Decline of Christianity in U.S. and the World**

According to the Pew Research Center's information on Religious and Public Life (2015), the number of people who affiliate with Christianity in the United States will decline from approximately three-fourths of the population in 2010 to only about two-thirds of the population in 2050. Worldwide, though, the world population will continue to grow, and the number of Christians as a percentage of the population will remain stagnant at 31.4 from 2010 to 2050 while the number of Muslims will grow so that, for the first time in history, the number of Christians and Muslims in the world population will be approximately the same (Pew Research Center, 2015).

While the implications of these statistics cannot be known as of yet, this dramatic change in demographics can be assumed to have a potential impact on Christian higher education. Curry, Rodin, and Carlson (2012) noted that traditional constituencies of Christian higher education are already declining, including students, faculty, and donors.

### **Secularization, Postmodernization, and Urbanization**

Baker (2012) stated that while most colleges in the United States were originally founded as Christian schools, many have shifted away from their religious origins and are more secular. Fletcher (2013) contended that these schools were conflicted from the beginning, trying to balance thought from Martin Luther's Reformation and Enlightenment thinking. Scholars have cited the need to secure funding sources as a cause of this secularization (Dosen, 2012; Swezey & Ross, 2012). Some schools adopted the "two spheres model" in which a Christian school is believed to still be able to have a healthy spiritual life through student activities while academics

are largely secular (Baker, 2012). Many schools, however, sacrificed their religious identity for increased academic prestige (Swezey & Ross, 2012), especially after achieving a degree of success and hoping to emulate top-tier secular universities (Dosen, 2012).

Christian schools face both internal and external secularization pressures (Swezey & Ross, 2012). The secular nature of modern academia at large puts pressure on scholars at Christian schools and is augmented by the secularization of society at large. Although it may sound contradictory to traditional ideas, Malesic (2010) even advocated secularization, saying that Christians should not use their Christianity as market leverage or social capital in the areas of politics, economy, and culture.

Glanzer et al. (2011) stated that small-town Protestant colleges have the bleakest outlook. Just as Fletcher (2013) noted that secularization moved Christian college from an intentional to a more generalized commitment to spiritual education, Swezey and Ross (2012) used Benne's (2001) Typology and described the secularization of Christian higher education institutions along a continuum from *orthodox*, *critical mass*, *intentionally pluralist*, or *accidentally pluralist*.

In addition to being vulnerable to the consequences of a more secularized society, postmodernism and urbanization also affect Christian higher education. Postmodernist thought can often be counter to Christian belief as it presupposes that there is no universal truth. As more and more people move into bigger cities and away from agricultural communities, urbanization accompanies postmodernism as a societal trend that will affect Christian higher education. For the first time in human history, most of the world's population is urban (Bills, 2013). Noting Raymond Williams' recognition of the romanticizing of the rural and pessimism toward the city in literature since the 16<sup>th</sup> century, Bills (2013) cautioned that Christian education needs to read the signs of the times and re-evaluate curriculum in that light and asserted that there are strategic,

mission-related reasons for Christians to engage in the city as a laboratory. While this urbanization along with secularization and postmodernity will put pressure on Christian colleges to change, there is little literature that gives direction as to how to move forward.

### **Diversity and Globalization**

Rine (2012) noted that as postmodernity took hold in American culture, higher education institutions became more open to cultural pluralism. However, the nature of Christian education is somewhat at odds with this idea, and Christian colleges seem to have trouble with diversity. In the area of diversity, in addition to the racial homogeneity of most campuses, the stance of many Christian denominations causes conflict with many in the LGBT community (Fletcher, 2013).

Despite this struggle with diversity, Christian higher education is an international phenomenon (Carpenter & Ntarangwi, 2015). The number of students in higher education around the world has grown, a concept often referred to as “massification” (Carpenter & Ntarangwi, 2015). As higher education in general has expanded internationally, Christian higher education has expanded with it. There are more than 600 Christian universities outside of North America (Carpenter & Ntarangwi, 2015). Further, just as U.S. Christian colleges have found, changing demographics have caused a push to seek international students to fill out enrollment numbers (Carpenter & Ntarangwi, 2015).

Since higher education in the U.S. and, by extension, Christian higher education is influenced by what happens abroad in education, another international development may be important to note. Often referred to as the “Bologna Process,” the 1999 Bologna Declaration was developed by a consortium of 47 European countries to set higher education standards of quality focusing on student-centered learning and international mobility (Fadeeva & Galkute,

2012). As Christian colleges seek more international students, administrators will need to consider the implications of the Bologna Process on how international students and perspective international employers in their respective nations view congruence with these standards. This may require adapting curriculum and other policies to be more in line with the standards set therein.

### **Internal Pressures**

Besides the external pressures of secularization, globalization, and other societal influences, Christian higher education also faces some internal issues including problems associated with admissions policies and faculty recruitment and scholarship. Christian schools tend to have a more open enrollment policy than other private and state-sponsored schools. While some argue that these schools are not selective enough, others say that the generally high acceptance rate is more a function of the targeted type of recruiting done (Baker, 2012). This type of open admissions has both academic and religious ramifications. Open enrollment policies often accompany lower retention, progression, and graduation rates, which can influence how potential students and donors see the performance of the school (Baker, 2012). Open enrollment also means that schools may not be screening students according to their religious affiliation or even whether they have one, which causes concern for those who are interested in the school's spiritual mission (Baker, 2012).

### **Faculty Recruitment and Scholarship**

Institutions of Christian higher education face several challenges in regard to recruitment of esteemed faculty and faculty scholarship. First, most Christian colleges lack the means to sponsor doctoral programs in traditional academic areas and, thus, faculty from those areas are largely educated in secular schools (Baker, 2012). Also, faculty is often required to operate

under faith statements and cannot hire those who will not adhere to tenants of the document (Swezey & Ross, 2012). Faculty within Christian colleges can also be at a disadvantage when it comes to publishing and scholarship for several reasons (Baker, 2012). The workload of most faculty is at most Christian schools four courses per semester, which leaves little time for pursuit of scholarship publication (Baker, 2012). Academic freedom is also an issue because many religiously affiliated colleges have and exercise the right to restrict individuals' speech when it conflicts with a school's mission (Taylor, 2015). Many schools compromised their mission in order to increase the academic qualification of their faculty as a whole (Fletcher, 2013).

### **Perception of Inferiority**

Perhaps related to this difficulty in recruiting prestigious faculty and the lack of faculty scholarship, Baker (2012) noted that Christian colleges and universities are not usually considered among the elite institutions of higher education in the world with the exceptions of Notre Dame and Baylor, and he further stated that while both schools have still adopted the "two spheres" approach, Notre Dame only holds nominal ties to its religious foundations while Baylor's secularization has been less pronounced. Aside from these two examples and despite many Christian schools' achievement of regional accreditation, they have still not been able to shake the perception of being inferior to other higher education institutions (Donahoo & Lee, 2008; Swezey & Ross, 2012).

### **Mission Conflict**

The examples of Notre Dame and Baylor above highlight one of the major issues in Christian higher education. Much literature in the field focuses on how to balance dual mission of Christian higher education which encompasses both the academic and spiritual enhancement of students. These two realms can often come into conflict in Christian college when religious

beliefs counter secular norms of higher education. One prominent example, but certainly not the only one, is Christian colleges' stance on creationism versus evolution (Taylor, 2015).

Schools handle this conflict in different ways. Different schools have struck various balances of these missions with varying degrees of success. For example, while two Christian schools that have gained notoriety, Notre Dame and Baylor University, both use the aforementioned two spheres model, Notre Dame is arguably more secular while Baylor has managed to remain more closely aligned to its religious mission through strategic hiring practices and other policies (Baker, 2012). Taylor (2015) suggested that many schools rearrange the "scripts," or organizing principles, to address areas of conflict.

This conflict can often bleed over into accreditation issues. First, institutions of higher education are dependent on regional accreditation because it is tied to federal funding. Christian colleges also seek regional accreditation to combat the aforementioned perception of being inferior to secular institutions (Donahoo & Lee, 2008). However, the ideals espoused by the regional accreditors do not include and often impair efforts to further the spiritual development of students (Donahoo & Lee, 2008). Also of interest, one study that looked at the Southern Association of Colleges and Schools (SACS) found a bias against religious colleges and universities in the accreditation process (Donahoo & Lee, 2008). While only 970 of 7,698 postsecondary schools have religious affiliations, Christian schools, especially Southern Baptist institutions, experienced the greatest degree of accreditation decisions, mostly resulting in penalties citing academic, administrative, financial, or procedural failures as the cause (Donahoo & Lee, 2008). Religious institutions especially dominated the category of fiscal-based adverse decisions (Donahoo & Lee, 2008). Donahoo and Lee (2008) concluded after reviewing a history of recent SACS decisions that simply having religious affiliation increases the likelihood that an



institution will receive a negative result from an accreditation review. Also, because they are often small and tuition-dependent, an adverse accreditation decision can threaten the long term survival of a Christian college (Donahoo & Lee, 2008).

### **Faith and Learning**

One aspect of Christian education that causes mission conflict and other challenges is the concept of integrating faith with learning. Although Esqueda (2014) stated that the common terminology “faith and learning integration” suggests a false dichotomy, many scholars have noted the difficulty Christian colleges face in their attempts to achieve success in both areas. Reeder and Pacino (2013) stated that many faculty members at Christian schools have been educated largely in secular institutions and find it difficult to know how to achieve faith integration. Societal compartmentalization of faith from other areas of life also devalues faith integration because as people become accustomed to separating the two in their daily routines, integration at the college level is also less expected (Reeder & Pacino, 2013).

Christian colleges’ approaches to faith integration can be specifically identified as the attitudinal approach, the ethical approach, the foundational approach, and the worldview approach (Holmes, 2000). The attitudinal approach focuses on student and faculty attitudes toward scholarship as opposed to subject matter, the ethical approach is focused on intrinsic value judgments within the different academic disciplines, the foundational approach privileges the traditions in a discipline, while the worldview approach seeks to connect spirituality and religion with life, learning, and culture. Esqueda (2014) stated that Christian education must be rooted in a biblical worldview. Given the all of the internal and external challenges associated with higher education, and specifically Christian higher education, it is often difficult for a school to know which approach is best for the future vitality of the institution.

## **Financial Issues in Christian Higher Education**

Among the many challenges in American higher education, financial issues seem to be among the most pressing. To gain a comprehensive view of the financial landscape in which colleges exist, one must understand the measures of financial health available, the different sources of funding, and the various challenges intermingled with the current funding formulae. Given the ominousness of the current financial pressures, one might gain even further insight by taking a closer look at some colleges who have recently made successful financial turnarounds and that factors that contributed to their successes.

### **Indicators of Financial Health**

First, any researcher seeking to explore studies in any way relative to a college's finances must identify some measures for assessing a school's financial health. Literature regarding standards of financial assessment for higher education reveals that there is not a standard metric at all, but there are some that have are used more commonly than others (Hunter, 2012; Ries, 2014). The purpose behind the calculation of such a score often factors into what data are used in the calculation of that score. Purposes include research, financial accounting, policy analysis, evaluation and assessment, and credit analysis, among others (Hunter, 2012). Adopting from the business sector, colleges and universities have begun to use financial ratios as a measure for the status of an institution's finances (Ries, 2014). Ratios have the advantage of being comparable between organizations of different sizes and to capture trends over time (Ries, 2014). Commonly used indicators include the IPEDS report, the DOE Responsibility Test, the CFI, and *Forbes* College Financial Grades.

**IPEDS.** One measure relied upon for reliable financial data in the 1970s and 80s was from the Higher Education General Information Surveys (HEGIS), now known as the Integrated

Postsecondary Education Data System (IPEDS). This survey gathers information from all colleges that participate in federal financial aid programs and includes figures on enrollment, program completion, graduation rates, faculty and staff, institutional pricing, and student financial aid and can be used to assess trends in enrollment, employment, expenditures, and degrees earned (U.S. Department of Education, 2015).

**DOE Responsibility Test.** The United States Department of Education (DOE) has also developed a Financial Responsibility Test scoring system by which they measure schools that award federal financial aid (Hunter, 2012; Ries, 2014). The DOE is a composite of three ratios derived from an institution's audited financial statements (Ries, 2014). The three ratios are the primary reserve ratio, which measures viability and liquidity; an equity ratio, which indicates the school's capital resources and borrowing potential; and a net income ratio, which measures a school's profitability (Ries, 2014). The scoring system deems a school with a composite score from -1 to less than 1.0 as not financially responsible, a score of 1.0-1.4 as financially responsible but requiring additional oversight, and a 1.5 to 3.0 as financially responsible (Ries, 2014). Schools who fail this test risk the loss of federal financial aid and increased cash monitoring (Hunter, 2012). Recently, 149 non-profit colleges failed the DOE's Financial Responsibility test which is cause for concern for these institutions (Hunter, 2012). Because of the large number, however, many have questioned the legitimacy of the DOE test. Wallace (2011) cautioned that the DOE test is designed to detect institutions in severe financial distress and not necessarily as an indicator of overall financial health.

**Composite Financial Index.** Another measure commonly used to assess a school's financial health is the Composite Financial Index (CFI). The CFI is a widely-accepted indicator of a college's financial strength and is calculated annually by the Austen group for CCCU

institutions. It includes data drawn from multiple sources, including the IPEDS data (Hunter, 2012). The CFI rating is a composite score ranging from 1 to 10 computed from four ratios: the primary reserve ratio, or how flexible the institution's finances are: the net income ratio; the return on net assets ratio; and the viability ratio, or the school's ability to handle debt with available resources (Supplee, 2014). Each ratio is calculated and weighted to produce a composite score in order to provide an overall assessment of an organization's financial health (Hunter, 2012). The CFI scoring guide gives a corresponding institutional action required for each of 10 levels. For example, the lowest, -1 to 1 requires that the school assess the viability of the institution's survival while a score from 7-9 suggests that a school should experiment with new initiatives, and achieve a robust mission (Hunter, 2012).

**Forbes College Financial Grades.** Another indicator of financial health is calculated by *Forbes* magazine. *Forbes* recognized the difficulty in determining the financial soundness of private school and developed their College Financial Grades assessment based on nine components grouped into three categories (Schifrin, 2013). The calculation is as follows: Balance Sheet Health, 40 percent, including 15 percent endowment assets per full-time equivalent (FTE), 10 percent expendable assets to debt (viability ratio), 15 percent primary reserve ratio; Operational Soundness, 35 percent, including 10 percent blend of return on assets, 10 percent operating margins, 15 percent tuition and fees as a percentage of core revenues; Admissions Yield, 10 percent; Freshmen Receiving Institutional Grants, 7.4 percent; and Instructional Expenses per Full-Time Student, 7.5 percent (Schifrin, 2013). Based on these components, colleges are given a grade between A and D (Schifrin, 2013). This information as an indicator is helpful in that while a college's CFI is largely a private calculation they make for

their own financial monitoring or for their own unpublished audits, the *Forbes* score, like the DOE score, is publically available via the web.

### **Funding Sources**

In addition to the publically available measurements of a school's financial health, to understand a more complete financial picture of a higher education institution, one must consider a school's funding sources as well. While the level of state contributions and private donations at all higher education institutions has decreased, as private, religiously affiliated institutions, Christian colleges rely on a slightly different set of funding sources for financial vitality. While they do not receive state appropriations, they do depend on tuition, federal and state grants and scholarships, denominational giving, and alumni and donor support. As these colleges compete for tuition dollars with all the ramifications that entails, contributions from both public and private sources have steadily declined since the 1970s because of taxpayer and shareholders' demand for increased accountability (Ries, 2014).

**Alumni and donor giving.** Fundraising is source of funding for all colleges, but is especially important for private, Christian schools. Looking at fundraising in Christian colleges, Curry, Rodin, and Carlson (2012) noted that proximity to a school does not seem to influence a donor's giving, but regional generosity most impacted giving, with the most generous regions identified as having moderate incomes, low levels of distress, and relatively smaller community sizes. However, the authors stated that greater numbers of local donors increased revenue. The researchers also noted that clear communication and a strong case for need improved fundraising results using direct mail and that personal contact was important. Another important factor, according to their research, was that the communications were mission-focused.

Alumni giving is a special case in Christian higher education. As Baker (2012) noted, graduates from Christian colleges often spend their lives devoted to charitable organizations which predominate their giving dollars. Christian colleges lack the means to sponsor degrees in many of the higher paying secular fields.

**Endowment.** Supplee (2014) stated that despite many colleges' focus on increased enrollment as a means to financial health, the size of an institution's endowment is the best indicator of the school's fiscal health. These endowments vary by school.

**Government support.** Government support of Christian higher education comes in different forms than in secular educational institutions who receive an annual appropriation of some sort. In the 1971 Supreme Court case of *Tilton v. Richardson*, the court verified the constitutionality of religious postsecondary schools receiving public funds to conduct primarily secular educational activities (Donahoo & Lee, 2008). However, to be eligible to receive federal funding, Christian colleges must maintain accreditation which often causes conflict with their religious identity and mission (Donahoo & Lee, 2008).

**Tuition reliance.** Christian colleges are notoriously tuition-dependent (Carey, 2014; Fletcher, 2013; Henck, 2011; Supplee, 2014). Peruso (2010) stated that the smaller schools often have a tuition dependency of more than 60 percent. However, Fletcher (2013) indicated that enrollment growth does not necessarily translate into increased net income. Another problem with tuition reliance is that schools often set tuition based on comparison with other schools in the market and not based on a budgeted method that takes into account how much it costs to educate a student.

**Denominational Giving.** Denominations have played a large part in Christian education since its inception in America (Glanzer, Rine, & Davingon, 2013). However, beginning in the

latter part of the 1980's, individual denominational affiliation began to decline, which is often associated with the secularization of Christian colleges and universities (Glanzer, Rine, & Davignon, 2013). Denominational aid to Christian colleges has also declined in real dollars over time (Baker, 2012; Ries, 2014). While 74 percent of institutions in a particular study currently receive funding from their sponsoring denominations, on average this support accounts for less than five percent of the annual operating budget, and not over 15 percent in any college studied. Further, in the years between 2002 and 2011, there was a definite downward trend in denominational giving for all schools that were able to provide the financial information, with a steady drop especially noticeable after 2008. However, the schools still maintain denominational ties. In addition, 73 percent indicated that the president was required to share the denominational affiliation of the college, and while faculty denominational requirements tended to be less restrictive, 70 percent of the schools studied indicated that a majority of their faculty belong to the sponsoring denomination. However, Christian colleges are educating less students from the sponsoring denomination than in years past although a plurality of the students still belong to the sponsoring church.

### **Financial Challenges**

Since 2000, 49 Christian colleges and universities closed due to financial difficulties and in 2010, 149 private colleges failed the U.S Department of Education's financial responsibility test (Fletcher, 2013). The Great Recession of 2008 hit higher education hard, and Christian colleges are definitely not exempt (Curry, Rodin, & Carlson, 2012). Areas affected include smaller returns on endowments, students' increased need for financial aid, and a growing concern that higher education was not worth the cost (Carey, 2014). Stagnant wages also led to a decline in income and, thus, income taxes, which led to a decline in government funds and,

therefore, a downward trend in governmental support of higher education (Curry, Rodin, & Carlson, 2012). While state schools are heavily reliant on this government funding, private Christian colleges tend to be more reliant on tuition and giving, both of which were also affected sharply by the recession. Selingo (2012) suggested that efforts to increase enrollment are getting more difficult and more expensive, and rising college costs are forcing more families to seek more affordable options. Kiley (2013) went further to say that all traditional sources of higher education revenues are under pressure.

Another issue related to tuition-reliance is mission conflict. In addition to relaxing their religious doctrine to acquiesce to accrediting standards and other secularizing factors, many schools are also inclined to compromise their mission in order to attract more students and increase enrollment and revenue (Curry, Rodin, & Carlson, 2012; Fletcher, 2013). Although there was a spike in enrollment in the years just prior to 2008, many of these institutions struggled for financial survival and found themselves conflicted with being mission-driven and market-driven (Fletcher, 2013).

These socio-political and financial problems often amalgamate into a downward spiral which requires institutions to incur debt to finance the school, and their credit ratings are lowered causing higher interest rates and thus more debt (Fletcher, 2013). Similarly, relaxation of mission standards to attract students and tuition dollars often turns off mission-minded donors. Mission conflict may cause accreditation issues, which causes a drop in enrollment due to a lack of student and parent confidence in the school, which in turn causes further financial stress.

Some have made dire predictions regarding higher education in general and say that the current model of higher education is outdated and dysfunctional (Carey, 2014). However, Fletcher (2013) believed that Christian colleges stand a better chance than other private



institutions of higher education if they build on support from their affiliated denominations. Christian schools can also build on their differentiation from state schools, especially in their mission and focus on educating the whole person.

In regard to establishing and maintaining financial health for higher education institutions in general, several authors have suggested a holistic approach. Supplee (2014) stated that a balanced approach with emphasis on donor resources is best, and that a college should seek stable to moderate enrollment growth, limit increases to the unfunded discount rate, and work to increase the institutional endowment and subsequently direct those resources to student financial aid. Likewise, O'Neal (2010) noted that the strongest financial model for higher education includes higher tuition, lower discounts, major contributions for affiliated fellowships, meaningful revenue from adult and graduate programs, less debt, and fundraising targeted to strategic operations and facilities.

### **Successful Turnarounds**

Despite the bleak outlook for Christian colleges, several colleges have made drastic financial turnarounds in recent years. Scholarship regarding such turnarounds and case studies of these schools provide insight into themes that underpin these transformations.

MacTaggart (2007) studied 40 colleges and universities in financial distress and developed a conceptual framework for schools who achieved this turnaround. This turnaround circle involves three phases. The first phase is restoring financial stability, the second involved enhanced marketing of academic programs and institution branding or rebranding, and the third stage was a shift in culture. MacTaggart's model indicated the inter-relation of financial stability and academic identity in these turnarounds.

Carey (2014) conducted a qualitative study on two different colleges that had recently undergone a financial turnaround using MacTaggart's work as a guide. He noted eight things common to both schools. First, the governing board of the schools recruited a president who was up for the challenge. Next, that president designed a compelling turnaround plan and took immediate action to correct the most pressing problems. Key constituencies support the president, and those who could not embrace the plan were let go. The president increased fundraising efforts and communicated a clear direction for the future, and the institution identified an aspect that would be a catalyst for student enrollment growth which translated into revenue. While one of the school's chose a plan that involved improving athletic facilities, the other focused on clarifying and reinvigorating the mission as a main component of the financial recovery. Just as in MacTaggart's study, the turnaround began with a clear plan or direction. Head (2009) and Cowen (1993) likewise identified commitment to mission as being critical to financial turnarounds for faith-based institutions.

Also, a case that is extremely pertinent to the current research is that of Waynesburg University, a school which made a significant positive change in their financial status by focusing on mission. Previously, the school was on shaky financial ground, its facilities were deteriorating, and its religious mission was vague with questionable importance (Dittmar, 2009). According to Dittmar (2009), Waynesburg's transformation began with a reinvigoration of the college's Church Affiliation Statement and re-focusing of the college mission. The new emphasis on these documents laid the foundation for other decisions that needed to be made at the college. Faculty were required to submit documents that articulated their faith and learning philosophy, marketing and recruiting programs for new students also focused on the Christian mission, the ending of the school's Greek program, a requirement of a biblical studies course as

part of the general education core, development of a Biblical and Ministry Studies major, service learning requirements, and changes in the faculty tenure and promotion procedures to require faculty to demonstrate their commitment to faith and learning integration. The new mission statement that begat all these changes contained the following wording:

Waynesboro College educates students to make connections between faith, learning, and serving so they might faithfully transform their communities and the world. As a Christian comprehensive college, we strive to inspire and challenge every undergraduate and graduate student to a life of leadership and purpose for the Glory of God. (Dittmar, 2009, p. 95)

While Dittmar also gave credit to the leadership team there who used a strategically gradual and reassuring transformational change process to accomplish this turnaround, the re-focusing of the school's mission was pointed to as the catalyst and springboard for the college's subsequent financial turnaround. Perhaps this was because of the consensus building that took place in the process of formulating the mission. Since its implementation, Waynesburg College has increased enrollments, attracted superior faculty and staff, improved its physical plant, stabilized its financial resources, and while in the process, achieved university status.

Although institutions of higher education face significant financial challenges, and Christian higher education especially has high fiscal hurdles to jump, there are some colleges that have been able to achieve a drastic, positive financial change. While each college has its idiosyncrasies, one common element in most of these turnarounds is a re-invigoration of their mission that re-focused their institution more towards their religious founding.

## **Strategic Planning**

Findings from studies relevant to the college's mission suggested that studying the relationship between a reinvigoration of a college's church related mission and its financial success is a potential area of research. To understand the role of a college's mission, however, one must first understand the context of a mission statement within the process of strategic planning.

### **Process and Components**

The idea of strategic planning was adapted by higher education from the private sector (Ellis, 2010). Strategic planning is a process that many organizations undertake to determine where they intend to be in the future and how it will get there (Ellis, 2010). While there is no official template for a strategic plan, it commonly has some common components. Two common elements that serve as the basis for most processes are the mission and vision statements of the organization (Ellis, 2010). Other common elements include five to seven core organizational values, a presentation of strengths, weaknesses, opportunities and threats (SWOTS), five to seven key goals based on the SWOTS with Key Performance Indicators (KPIs) built in as measures, a resulting action plan to achieve the goals, and evaluation and assessment of progress in fulfilling the plan (Ellis, 2010).

Just as there is no one template for what to include in a strategic plan, there is no strict formula on how to go about gathering the data and information required in the process of strategic planning; often how an organization decides to do this affects the relative quality of the final document. A good strategic plan is a bottom-up process that is inclusive of all stakeholders, not constrained by assumptions, is innovative, and involves vigorous debate (Ellis, 2010). Once the plan is developed, the process is then cyclical in determined time intervals. Often there is a

five-year plan that is acted upon in annual plans assessed at the end of each year. If done appropriately, this planning process helps align the resources of the school to advance the school's overall mission and achieve its vision.

Colleges increasingly rely on strategic planning to answer the public demand for increased accountability and to be able to coordinate projects necessitated by the process of accreditation and accreditation review. Strategic planning is not without its detractors, however. Many schools do not undergo the process because there is a perception that strategic planning rarely works and is ill-suited for higher education (Fleuriet & Williams, 2015). Often the emphasis on vision, mission and achieving consensus is seen as oversimplifying the inner workings of complex organizations (Aelong, 2007). While Leitzia (2013) used postmodernist critical theory to illustrate how strategic planners need to consider the socio-political impact of the wording they chose since there can be imbedded cultural bias, Delprino (2013) highlighted that too much concentration on the "wordsmithing" of the mission and vision statement often overshadows the more important process of managing the people involved and guiding them through the process. Bacig (2000) conducted a two-phase study built on the premise that widespread participation in the process can often be the demise of strategic planning. He sought to determine ways to make the process just as effective while also being efficient with time and human resources. However, Aelong (2007) and Fleuriet and Williams (2015) criticized executive models of strategic planning where much of the work is done at the higher managerial levels as being too top down and out of touch.

### **Role of Mission in Strategic Planning**

While much extant literature discusses the focus of a strategic plan as well as how to undergo the process, in most cases, a school's mission is a key component in a school's strategic

planning process. If a school is just beginning to implement strategic planning, one of the first steps may be to either develop or revise the school's mission statement. This is because ideally the strategic plan is based on that mission (Fleuriet & Williams, 2015). As the centerpiece, conventionally, goals, objectives and action plans are oriented towards achieving the organization's mission and vision and should be evaluated in that respect (Jolayemi, 2012). A mission statement should be clear and concise and establish the identity of the organization (Ozdem, 2011).

Erikson (2007) and Ozdem (2011) confirmed the importance of a college's mission statement as an affirmation of and foundation for the distinction of an institution and direction for all of that organization's activities. In his research, Erikson identified colleges as either adaptive, meaning market-driven, or interpretive, meaning mission-driven. While he discussed the risk of adaptive-style initiatives steering a college away from its mission, he suggested that there are ways to implement adaptive initiatives that would support rather than threaten mission. He also discussed studies that reinforced the idea that strengthening the mission of the school was related to improved performance, even when the school was in crisis.

One criticism of mission development is that too often the language involved is too vague or too generic (Ozdem, 2011). Although Morpew and Hartley (2006) did an analysis of mission statements of over 300 colleges and universities and found that private and public institutions differ in the language used, Camelia and Marius (2013) found that often the language used is too similar to that of other institutions and fails to differentiate the institution in the marketplace.

Another criticism of mission development is that although the mission should guide the college's decision-making, often there is no clear connection between the stated mission and

current management decisions (Camelia & Marius, 2013). Given all the things that pressure a Christian institution's mission today, including secularization, globalization, postmodernity, and financial concerns among others, this mission-management disconnect can be even more pronounced. Even though some do not see the value of these statements, as of now, they are still almost unanimously used by higher education institutions everywhere and they should not be simply cast aside (Camelia & Marius, 2013).

### **Mission and Financial Health**

Mission, in fact, may be even more important than some institutions believe, especially given the current societal pressures and economic climate of Christian higher education. Mission and finances are already related in at least a few ways. First, a university cannot accomplish its mission without financial stability and proper management (Ries, 2014). Also, if done properly, strategic planning, which should involve mission development and periodic review and updating, is also inextricably tied to budget development (Wallace, 2011). However, as discussed, some literature has indicated that there may be a correlation between mission adherence and financial health of an institution. Camelia and Marius (2013) stated that a connection can be established between a college's mission statement and its organizational performance. Supplee (2014) similarly suggested that colleges seeking to attain financial stability cannot stay focused on enrollment expansion alone and that research is needed on how an institution's faith mission influences the priority placed on institutional endowment. Further, Curry, Rodin, and Carlson (2012) discussed how a more mission-focused strategy increased success in fundraising. More specifically about Christian colleges, Dosen (2012) tied these together in this way, "If Christian higher education is to survive in the 21<sup>st</sup> century, it must remain academically credible, financially viable, and perhaps, most importantly, committed to its Christian beliefs" (p. 39).

## **Conclusion and Recommendations for Future Research**

Christian higher education institutions, like all higher education organizations, exist in turbulent times. A number of forces are exerting pressure on colleges and universities to change the way they operate for various reasons. These pressures often act in opposition to one another, as is evidenced by the prevalent problem of mission conflict in Christian colleges and universities. Given the difficult financial times in which Christian colleges exist, and drawing upon the literature's emphasis of the importance and possible interconnectedness of mission and financial performance, it would be helpful to be able to quantify this supposed connection, but there is no extant literature on the relationship between a Christian college's mission fidelity and its financial performance. By first determining a school's level of mission fidelity and then correlating that to the respective school's financial health indicators (such as CFI), quantitative research might ferret out the relative financial merit of the mission fidelity in Christian education as well as give schools in financial crisis a starting point to begin recovery.

## **Chapter Summary**

This chapter provides an overview of the literature relative to this study including present challenges for American higher education, challenges specifically for Christian higher education, the decline of Christianity in the U.S. and the world, the influence of external forces such as secularization, postmodernization, urbanization, diversity, and globalization as well as internal pressures, issues with faculty recruitment and scholarship, the perception of the inferiority of religiously affiliated schools, the issue of mission conflict, and faith and learning integration. In addition to the internal and external pressures and challenges, the financial issues specific to Christian colleges are also discussed including common financial indicators such as the IPEDS report, the DOE Responsibility Test, The Composite Financial Index, and *Forbes* College



Financial Grades. Various funding sources of Christian colleges including alumni and donor giving, endowment, government support, tuition reliance, and denominational giving are discussed in the context of this study. The financial challenges inherent in Christian higher education are described along with examples of and research regarding successful financial turnaround that have been made. Also, the strategic planning process and components with an emphasis on mission are discussed, along with literature that suggests the possible connection between mission and financial health. In essence, the review of the literature sets up the background of this study as a complex one filled with multiple components all exerting pressure on Christian colleges to adapt and survive. Given the composite of the literature covered here, this study hoped to direct schools in financial stress toward a possible avenue of improvement.

## CHAPTER 3

### METHODOLOGY

Given the present climate for higher education and specifically Christian higher education, Christian colleges are under pressure both internally and externally to find a way to survive and even thrive amid a milieu of challenges, especially in the areas of mission conflict (Baker, 2012; Donahoo & Lee, 2008; Taylor, 2015) and financial difficulties (Carey, 2014; Curry, Rodin, & Carlson; Fletcher, 2013; Kiley, 2013; Selingo, 2012). One avenue of possible improvement suggested by the literature is a mission-focused approach that brings a college into closer alignment with its spiritual mission. Current literature on the interconnectedness of a Christian college's mission and financial health is largely qualitative in nature (Camerlia & Marius, 2013; Carey, 2014; Cowen, 1993; Dittmar, 2009; Head, 2009). This study undertook a more quantitative approach in hopes of finding a connection. Specifically, the research questions posed included:

- 1) What is the relationship between mission fidelity and financial health at Christian higher education institutions?
- 2) Does the relation of mission fidelity and financial health vary across stages of the turnaround cycle at Christian higher education institutions?
- 3) Does the relationship between mission fidelity and financial health vary based on the college's stage of the turnaround cycle at Christian higher education institutions?

This chapter will detail the methodology to be used in this study, including a description of the population and sample to be studied, the instrument to be used, the data collection process, and analysis procedures.

## Research Design

The existing data on the relationship between a school's mission and its financial vitality to date is either anecdotal or qualitative. Creswell (2003) has stated that "if the problem is identifying factors that influence an outcome, the utility of an intervention, or understanding the best predictors of outcomes, then a quantitative approach is best" (pp. 21-22). Therefore, in order to determine whether an institution's financial health is influenced by or can be predicted by adherence to mission in faith-based institutions, a quantitative study was warranted. While a qualitative approach can elucidate information specific to a certain college or situation, a quantitative approach using statistical correlation can help determine the relationship between two variables and predict one variable based upon the other. Correlation was chosen as this researcher hopes to show how a schools' mission fidelity affects its financial health. De Vaus (2014) stated that correlation coefficients provide a way to estimate how much impact one variable has on another. In addition, De Vaus (2014) stated that regression can be used when the researcher wishes to measure the impact or amount of change one variable produces in another, and is good to use in conjunction with correlation as regression provides a means of making predictions and correlation coefficients provide a way of determining the accuracy of those estimates. Therefore, correlation and regression will be used in this study to answer the research questions.

In order to perform correlation and regression, measures were needed for the variables of financial health and mission fidelity. To determine financial health, the study used common financial indicators to determine financial status including the Department of Education (DOE) Rating and *Forbes* College Financial Grades. While there are other measures of financial status such as could be calculated using the IPEDS report data or the Composite Financial Index (CFI)

for each school, for the purposes and facilitation of this study, the DOE scores and the *Forbes* College Financial Grades were more accessible and provided similar information as the other measures. The IPEDS report data would have to be used to calculate a composite score for each of each school sampled, and a college's CFI is an internal measure that is not usually published publically, while the DOE rating and *Forbes* grades are. Besides accessibility, the DOE rating and the *Forbes* grades are used for different purposes and calculated by different agencies. The DOE rating is a composite ratio score calculated by the DOE based on a school's audited financial statements and used to determine the school's eligibility to award financial aid. The *Forbes* grades is a similar composite score awarding letter grades A through D and corresponding numeric "GPA" scores, and is created to inform the general public about institutions relative financial health. Also, both the DOE rating and the *Forbes* grades were used since the DOE rating is on an extremely condensed scale between -1 and 3 and the *Forbes* grade can help further confirm a school's relative financial position. Both were used to determine if either correlated to mission fidelity.

Adherence to mission was then assessed by using Benne's (2001) Typology to place the schools on the continuum between "orthodox", or highly aligned with faith mission, and "accidentally pluralist", or low alignment with faith mission. Then, the schools' placement on the typology was statistically correlated with the DOE financial composite score as well as the *Forbes* GPA to determine whether or not a relationship exists between the level of mission fidelity and the financial health of the school. This correlation co-efficient analysis was used to answer research question 1, "What is the relationship between mission fidelity and financial health at Christian higher education institutions?".

Other information collected from the questionnaire was to help further explain where each school stands in regard to its mission. The stage of MacTaggart's Turnaround Cycle was determined by responses from the questionnaire were arranged in order such that if "a" is the average response, the school is in phase 1: financial recovery, if "b" is the most frequent response, the school is in phase 2: marketing and branding, and if "c" is the most frequent response, the school is in phase 3: redefining the culture. By assigning these phases a numerical equivalent, i.e. phase one is "1", the phase in the turnaround cycle, regression was used to determine any variance in relation to mission and financial health. This was to answer research question 2, "What is the level of correlation between mission fidelity and financial health based on a college's stage in the turnaround cycle at Christian higher education institutions?".

Also, using results from the questionnaire, the school's phase in the transformation process can be determined by calculating the average for that school in relation to the responses that describe the various stages. A horizontal depiction of the phase of transformation was depicted and a slide bar was used to allow the respondent to indicate which phase he or she felt his school was in currently. By assigning a numeric value to the stages, i.e. stage one is "1", regression was used to determine if there is any interaction between the phase of transformation and the correlation of mission and financial health. This was to answer research question 3, "What is the level of correlation between mission fidelity and financial health based on a college's stage of transformation at Christian higher education institutions?".

While Benne's (2001) Typology of Christian Colleges will describe where a school is in relation to mission fidelity, and the DOE score and *Forbes* grade will give a financial snapshot, MacTaggart's (2007) Phases of the Turnaround Cycle and Kotter's (2007) Eight-Steps of

Organizational Change were chosen as a framework to give a better picture of the direction of the school in regard to financial improvement.

### **Population and Sample**

The population studied included the American schools in the Council for Christian Colleges and Universities (CCCU) North American membership, which, according to their website, is comprised of 153 campuses with various denominational affiliations ([www.cccu.org](http://www.cccu.org)). While there are various state organizations of private colleges, which most often include both religious and non-religious schools, this population was chosen because it is a well-known national organization of specifically Christian colleges that provides a more comprehensive and available list of schools which to survey. Having determined a target population to study, a random sample was drawn. According to De Vaus (2014), simple random sampling (SRS) is best when a good sampling frame exists and when the population is geographically concentrated or the data collection does not involve travelling. Since there is a target sample of CCCU members, a good sampling frame exists and since the data collection is via internet, no travel is required, making SRS ideal. Performing power analysis based on Cohen's (1992) charts, and assuming a medium effect, a sample size of 85 was needed, assuming a power level of 0.80, and a .05 confidence interval. In other words, in order to have an 80 percent chance of detecting a medium-sized correlation of  $r=.30$  with a Type 1 error rate of .05, a sample of 85 is needed (Cohen, 1992).

Once the schools for the sample were selected using this method, a database of faculty emails from the selected schools was compiled from emails listed on each school's website to include up to 10 faculty in each of five core academic departments including English, Christianity, Education, Behavioral Science, and History. These departments were selected since

smaller colleges were included in the sample, and these are the disciplines that are most commonly present in any school, regardless of size, as opposed to other more specialized disciplines that may be unique to a certain school. Faculty, and particularly undergraduate faculty, were chosen as a focus because they are in a unique position to answer the majority of these questions, their emails are readily available on their respective school's websites, and student emails are difficult to obtain and subject to privacy protections. Also, one study shows a difference in how school administrators and faculty respond to surveys regarding the perception of mission adherence by their school (Erickson, 2007).

Therefore, for each of the 85 schools, up to 50 faculty were sent a survey for a total of 2,199 respondents invited to participate in the study. For each school, the goal was to obtain as many respondents as possible from each institution. The up to 10 faculty sent a survey were selected using a random selection method based on an alphabetical listing of the faculty, alternating between first ten and last ten faculty members listed. Given the goal and the expected response rate of between 20 to 30 percent (Nulty, 2008), an average of 10 to 15 responses per school was expected. Since the scores were to be averaged together, the yield would still be 85 schools surveyed, providing that all schools have at least two of the up to 50 each surveyed respond.

To obtain the sample schools to be studied, the researcher retrieved the CCCU membership list from CCCU.org website, checked "All North American", and removed the Canadian schools, resulting in a total of 143 schools. This list was copied and pasted into an excel file and assigned fixed random numbers. The schools were then sorted in ascending order via the random sample number assigned. Then, every other school was selected until a total of 85 schools was reached. When reaching the bottom of the list, sampling continued at the beginning

of the list. Then, the schools not selected for the sample were removed from the spreadsheet. A column was created to choose whether to sample the first 10 or last 10 faculty members of each division per school, alternating. The list of schools on the CCCU website also had links to the individual member schools' web sites, and this link was used to reach the sample school's web presence. Then, the researcher explored the website to find faculty emails. These were often listed under "academics" by department or were included in a school directly on the web.

Some decisions were made regarding sampling when certain situations were encountered. For example, if a school had multiple campuses and the sample list did not specify which site, the researcher used the main campus information. Faculty with no email listed were omitted. Also, if a school had an affiliated online presence, preference was given to the traditional campus. Also, only emails from those listed as full-time, non-administrative faculty were gathered, but if a faculty member was listed as both an administrator and a professor, his or her email was included. When the researcher encountered a school which did not list its faculty email addresses on the website, the school was removed from the sample, and the sampling method was continued to obtain another school for the sample from the list.

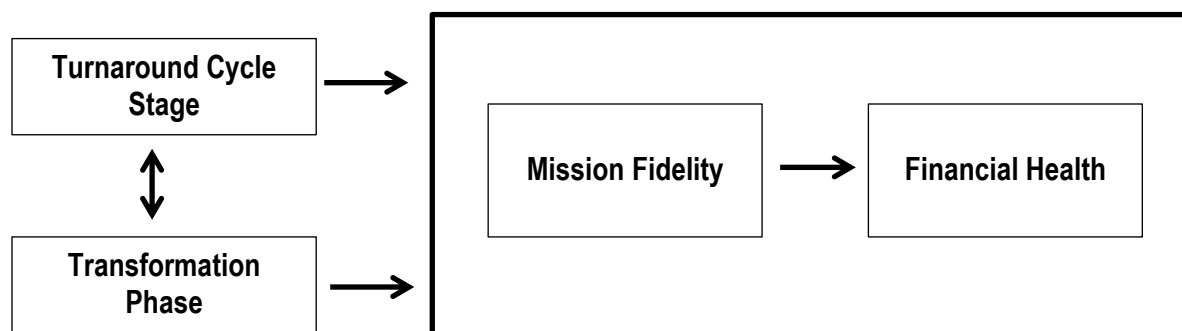
Other rules were also used in obtaining the sample. For schools that did not have a full psychology department, the selection was expanded to other behavioral sciences. As schools list their religious departments differently, Christian Studies, Religion, Theology, and Bible Studies divisions were included in the sample (most schools had one or the other). For professors who taught more than one subject, they were included under the division for the subject first listed. For department chairs, only those who were specifically listed as also a professor were included. Physical Education professors were not counted in with Education professors for that division. Seminaries schools were included in the sample only if they also had core area faculty.



### **Instrumentation**

Once the sample was obtained, a web survey was sent to determine each school's mission fidelity, financial status, phase in the change process, and stage in the turnaround cycle. The variables measured by the instrument included level of mission conflict (or mission fidelity, or the level of adherence to mission), turnaround cycle stage, and transformation phase as the independent variables, and financial health as the dependent variable studied via the financial health indicators of the DOE and *Forbes* scores. A visual representation of the interaction of the variables studied is found in Figure 4. To determine level of mission fidelity, adapting from a study done by Swezey and Ross (2012), nine factors were considered to determine the school's placement on Benne's (2001) Typology, including: 1) public relevance of Christian vision, 2) public rhetoric, 3) membership requirements, 4) religion/theology departments, 5) religion/theology required courses, 6) chapel requirements, 7) ethos, 8) church support, and 9) governance. The researcher in collaboration with the methodologist developed a survey by operationalizing these factors from Benne's typology, Kotter's Change Process, and MacTaggart's Turnaround Cycle. A draft of the survey instrument is included in Appendix C, and a matrix is included in Appendix D which shows the survey questions in relation to the research question they sought to answer. In an effort to gather information about the nine factors described by Benne (2001), the survey asked respondents to mark the response which best describes their institution in the respective areas. For example, for "public relevance", the survey asked respondents to mark the statement that best describes the public relevance of Christian vision in the school's life. Options included "insists on public relevance of Christian vision in all areas of school's life", "secular orientation is noticeable in certain areas", "the sponsoring denomination is important but should neither dominate nor disappear", or "Christian perspectives

surface now and then ‘accidentally’”. To determine their placement on ethos, the survey asked respondents to mark the statement that best describes the ethos of their school. Options included “exhibits piety of sponsoring tradition”, “moral vision is oriented to social rather than personal morality”, “ethos is secular, but pockets of piety persist”, or “ethos is secular”. The survey also included items to place the schools in relation to MacTaggart’s (2007) Turnaround Cycle and Kotter’s (2007) Change Process. MacTaggart’s Turnaround Cycle was operationalized into three



*Figure 4.* Visual representation of variables and interactions studied

items regarding school focus, presidential leadership style and the status of academic programs. For example, respondents were asked “On which of the following does your college seem to focus more attention” with possible selections being the “financial condition of the school” (scored as 1 as it is the first stage in the turnaround cycle), “marketing and branding” (scored as 2 as it is the second stage), and “expanding/enhancing/redefining academic programs, school culture and community” (scored as 3 as it the third stage).

Kotter’s change process was operationalized into a sliding scale that allowed the respondent to move the scale to any point on a continuum from the initial phases of transformation, “establishing a sense of urgency, examining market/completion, identifying crises and opportunities” to the final phases, “institutionalizing new approaches by making them

a part of the fabric of the organization”. Each point had a corresponding numeric value, i.e. the first phase was scored 1, the last phase score 8, and so on.

### **Validity and Reliability**

Content validity for the measures used was established since each of the measures is developed directly from the literature. The items to measure mission fidelity are operationalized categories from Benne’s (2001) Typology. For example, Benne’s Typology lists under “Chapel”, under orthodox, “required in large church at protected time daily”, under critical mass “voluntary at high quality services in large nave at protected time daily”, under intentionally pluralist “voluntary at unprotected times, with low attendance” and under accidentally pluralist “for few, on special occasions”. The operationalized item 10 states, “Chapel Requirements: What are the chapel requirements of your school” and gives the options of “chapel attendance is required and time is set aside for chapel; no other campus activities are held during this time; “chapel attendance is not required, but time is set aside; no other campus activities are held during this time; chapel attendance is not required and time is not set aside; other campus activities may be held during this time”; and “chapel is only held on special occasions and is inclusive of many religious traditions/denominations”. Other items were operationalized in much the same way, and wording only changed to make the options more clear for respondents.

The items to measure the stage in the turnaround cycle were operationalized from MacTaggart’s (2007) Stages of the Turnaround Cycle. For example, MacTaggart’s stages include stage 1 in which a school is focusing on the financial condition of the school, stage 2 where a school is focused on marketing and branding, and stage 3 where a school is looking to expand, enhance or redefine academic programs, school culture and community. Thus, the related construct asks the respondent, “On which of the following does your college seem to

focus more attention”, with responses being “the financial condition of the school”, “marketing and branding; the perceptions and choices of external audiences”, and “expanding/enhancing/redefining academic programs, school culture and community.”

The items to measure the stage of transformation were operationalized from Kotter’s (2007) Eight Steps of Organizational Change. For example, Kotter lists phase one as: “establishing a sense of urgency; examining marketing and competitive realities; and identifying and discussing crises, potential crises or major opportunities”. Thus, the survey item 16 gives the option for a respondent to slide the bar to 1 which is labeled “Establishing a sense of urgency, examining market/competition, identifying crises and opportunities”, and this continued for each phase.

As discussed in the literature review, Carey (2014) similarly used MacTaggart’s (2007) study. In addition, Burden (2010) operationalized Kotter’s (2007) stages in the much the same way used for this study. For example, an item in Burden’s survey instrument asked respondents: “In thinking about this major change, did you establish a sense of urgency (ex. Did you provide evidence that the change was necessary; identify and discuss a potential crisis; did you make your employees feel compelled to address the problem)?”, and the respondent choices were “yes” or no”. For those who answer yes, a comment box asked the respondents “If yes, please describe strategies/procedures/process used in doing so.” While the idea of operationalizing Kotter’s transformation phases was utilized by Burden via multiple survey items, for purposes of this study, there was one survey item used to gauge the transformation phase. Because the research seeks a quantitative equivalent to the transformation phase, assessing it via multiple items was not conducive.

In addition to establishing content validity through research, the survey was first pilot tested to 5 faculty members at a Christian college that was not part of the population studied in order to get results and feedback to support the validity and clarity of the survey and data collection method. Pilot testing a group that is similar in composition and descriptive characteristics to the group to be sampled helps avoid offensive questions, identify questions that could be particularly useful and elucidate and language issues and any general misunderstandings regarding the questionnaire (De Vaus, 2014). The pilot test was done using Google Forms, and after obtaining feedback from the initial pilot study, an error in question wording was changed in item 5. Respondents indicated that the instructions were clear and suggested no questions for deletion or addition. One respondent said that the last question was confusing, and the last question in the survey was one of the items related to Kotter's Phases of Transformation. After suggestions from the doctoral committee, the survey was transferred into Qualtrics, a survey distribution program, and the last questions (16-24) were combined into one question with a moveable progress bar to indicate where the respondent felt the school was in relation to Kotter's Phases of Transformation. A second pilot test was done at a Christian college that was not part of the population using the Qualtrics program. With a total of 4 respondents, no questions were reported as making the respondents uncomfortable or as difficult to understand or read, no questions were suggested for deletion or addition, and no suggestions for improvement were proffered. One respondent indicated in a verbal response that the forced response nature of the questions made him uneasy.

Reliability of the instrument was determined using tests of internal consistency and test-retest reliability. For internal consistency, Cronbach's alpha was used. Cronbach's alpha looks at the consistency of a respondent's answer on an item compared to other items, and is measured by

a coefficient that ranges between 0 and 1, with the higher the figure meaning the more reliable the scale, with a target of at least 0.7 (De Vaus, 2014).

The items that measured mission fidelity, survey questions 4 through 13, yield a Cronbach's alpha score of .782, which meets the target to indicate reliability. Items 14 through 16, which measure a Turnaround Cycle Stage yield a Cronbach's alpha score of .545, which is below the accepted target of 0.7. This suggests these items yielded scores that were not strongly correlated and may not form a cohesive construct. However, test-retest reliability scores, to be discussed, show that the measure has some reliability.

Respondents who indicated they would be willing to do so were asked to complete the instrument twice to assess test-retest reliability and were matched according to the email address provided by the respondent. Test-retest reliability is determined by asking the same people the same questions at intervals of two to four weeks and determining the correlation between their answers, with a goal of 0.8 or higher (De Vaus 2014). A total of 123 respondents indicated that would participate in the re-test, and the survey was re-distributed to those volunteers four weeks after the start of the initial survey. When a total of at least 30 responses were acquired, correlation calculations were done as well as a paired-samples t-test, and the results are indicated below.

*Table 1: Correlations and Descriptive Statistics for Mission Fidelity Measure*

	1	2
1. Initial Survey Mission Fidelity	---	
2. Retest Mission Fidelity	.831**	---
M	3.4418	3.4506
D	.29404	.29307
Scale Min/Max Values	1 to 4	1 to 4

*Note.* n = 33

\*\* p < .01.

*Table 2: Correlations and Descriptive Statistics for Turnaround Cycle Stage Measure*

	1	2
1. Initial Survey Turnaround Cycle Stage	---	
2. Retest Turnaround Cycle Stage	.864**	---
M	2.0103	2.000
D	.60441	.55328
Scale Min/Max Values	1 to 3	1 to 3

Note. n = 33

\*\* p < .01.

*Table 3: Correlations and Descriptive Statistics for Transformation Phase Measure*

	1	2
1. Initial Survey Transformation Phase	---	
2. Retest Transformation Phase	.412*	---
M	3.9697	3.8788
D	2.03846	2.34198
Scale Min/Max Values	1 to 8	1 to 8

Note. n = 33

\* p < .05.

*Table 4: Descriptive Statistics and t-test Results for Mission Fidelity, Stage of the Turnaround Cycle, and Phase of the Transformation Process*

Outcome	Pretest		Posttest		n	95% CI for Mean Difference	r	t	D f
	M	SD	M	SD					
Mission Fidelity	3.442	.293	3.451	.293	33	-.0693, .0517	.831	-.296	32
Turnaround Cycle Stage	2.010	.604	2.00	.553	33	-.098, .119	.864	.194	32
Transformation Phase	3.970	2.038	3.879	2.342	33	-.756, .938	.412	.219	32

\* p < .05.

Results of the correlation analyses for test-retest reliability reveal that the initial responses on the items measuring mission fidelity, stage of the turnaround cycle, and phase of the transformation process are positively and statistically related, the mission fidelity items with an  $r=.831$ , the turnaround cycle items with an  $r=.864$ , and the transformation phase item with an  $r=.412$ . These correlation results indicate that the survey items are reliable measures with scores which are consistent over time.

To further explore the reliability of these items, a paired samples t-test was conducted and showed no statistical difference in the means for the pretest and posttest for each measure, including mission fidelity ( $M = -.009$ ,  $SD = .171$ ), turnaround cycle stage ( $M = .010$ ,  $SD = .306$ ), and transformation phase ( $M = .091$ ,  $SD = 2.390$ ) at the .05 level of significance. Thus, the item correlation and the paired samples t-test show that the scores appear to be consistent over time.

### **Data Collection**

In order to administer the survey, the researcher obtained emails of faculty from each sample school's website as previously described. The survey was developed using the survey program Qualtrics and administered via a web link in the email to these faculty members, and a copy of the solicitation email is included in Appendix B. The Informed Consent was embedded in the solicitation email, and a copy is included in Appendix A. Since the mid-1990s, the internet has been a popular means for administering surveys (De Vaus, 2014). Such internet surveys provide a valuable service in collecting and organizing the data into formats conducive to performing statistical analysis readily. While web surveys often have a lower response rate than other methods such as telephone and direct mail surveys, they offer the advantage of the ability to handle complex questionnaires, item non-response, question sequence control, mitigate social desirability, avoid interviewer subversion, and are, most of all, easy, fast, and cost-effective to administer (De Vaus, 2014). The survey was initially sent out on August 23, 2016, and remained open for three weeks after the initial distribution. A reminder email was sent after one week and another after two weeks, and the survey was closed on September 14, 2016.

In addition to rating the schools studied using Benne's (2001) Typology, financial data on each institution was obtained from previously published sources including the Department of Education's Responsibility Test rating of the institution and *Forbes* College Financial Grades



assessment of each school. The DOE Responsibility rating report is found on their website and the *Forbes* information is also readily available on the web.

### Data Analysis

Once the data were gathered, the mean responses on a scale of 1 and 4 for survey items 4-13 which related to mission fidelity were averaged to obtain a score for each school based on the

*Table 5. Benne's Typology Categories and Corresponding Values*

Benne's (2001) Typology Placement	Corresponding Value	Mean Value
Orthodox	4	3.5 - 4.0
Critical Mass	3	2.5 - 3.4
Intentionally Pluralist	2	1.5 - 2.4
Accidentally Pluralist	1	1.0 - 1.4

*Table 6. DOE Financial Responsibility Score and Corresponding Assessment*

DOE Financial Responsibility Score	Assessment
-1 to less than 1.0	Considered not financially responsible
1.0 to 1.4	Considered financially responsible, but require additional oversight
1.5 to 3	Considered financially responsible.

corresponding values of Benne's (2001) Typology as shown in Table 5. To address Research Question 1, the two variables of mission fidelity and financial health were correlated to determine if there seemed to be any relationship between the level of mission fidelity and a school's financial performance. The meaning of the DOE financial responsibility scores are presented in Table 6. The *Forbes* financial grades should be considered much like grades are indicators in the classroom with an A+, or 4.0, being the highest score and an F being the lowest rating.

Using the data obtained from the web survey, a school's placement on Benne's Typology was assigned on a scale of 1 to 4, from most secular to most spiritually mission-focused, as shown in Table 5. A complete matrix of responses and corresponding values for each survey question can be found in Appendix E. The Benne's typology score for mission fidelity was then

correlated to the two measures of financial health for each school, including the DOE Financial Responsibility rating and the *Forbes* GPA, using SPSS statistical calculation software.

Then, to address Research Question 2, a numeric value was assigned to a school's phase in the transformation process, as shown in Figure 5, and regression analysis was used to determine whether there is any interaction. According to De Vaus (2014), regression can be used to both make predictions about scores and to measure the impact or amount of change of one variable on another.

Likewise, by assigning a numeric value to the stage in the turnaround cycle, regression was used to determine whether there is any interaction between an institution's phase in the turnaround cycle and the interrelation of mission and finance. An outline of the corresponding values assigned is included below in Table 8, and a full matrix of the survey items and corresponding values can be found in Appendix F.

Based on the literature, the working hypothesis was that there will be a positive association between the two variables: the higher a school's mission fidelity, the better the school's financial performance is expected to be. Also, it was expected that the higher the relationship between mission and finance, the further the stage in the transformation process, and the further the phase in the turn-around cycle.

### **Limitations, Delimitations, and Assumptions**

This study has several delimitations and limitations, mainly in scope of study. The major delimitation, which is also a limitation, of this study is that only includes Christian colleges within the CCCU membership. While this delimitation provides a sample number that is possible to study, this means that results will not be immediately generalizable to all higher

*Table 7. Kotter's Phases of Organizational Transformation and Corresponding Values*

Kotter's Phases of Transformation	Corresponding Value
Establishing a Sense of Urgency	1
Forming Powerful Guiding Coalition	2
Creating a Vision	3
Communicating the Vision	4
Empowering Others to Act on the Vision	5
Planning for and Creating Short-term Wins	6
Consolidating Improvements and Producing Still More Change	7
Institutionalizing New Approaches	8

*Table 8. MacTaggart's Stages of the Turnaround Cycle and Corresponding Values*

MacTaggart's Stages of the Turnaround Cycle	Stage/Corresponding Value
<u>College Focus</u>	
The financial condition of the school	1
Marketing and branding; the perceptions and choices of external audiences	2
Expanding/enhancing/redefining academic programs, school culture and community.	3
<u>Presidential Leadership Style</u>	
Autocratic: he or she uses policy and protocol to address issues.	1
Problem-solving: he or she addresses issues by developing fitting and often creative solutions.	2
Collaborative: he or she works with others to address issues	3
<u>Status of Academic Programs</u>	
The school is downsizing and eliminating programs	1
The school is developing and marketing some new programs.	2
The school is implementing new concepts of teaching and learning.	3

education institutions, nor even to all religious higher education institutions. Also, it is possible that not all invited will choose to participate for various reasons. Also, because of certain requirements for CCCU membership, it is likely that the group studied may be more homogenous than if all colleges with some religious affiliation were studied.

Another limitation to this study involves the survey instrument developed based on Benne's (2001) Typology of Christian Colleges, Kotter's (2007) Eight-Steps of Organizational Change, and MacTaggart's (2007) Turnaround Cycle. The instruments relies first on the

accurateness of these theories to explain and accurately describe their respective constructs of level of secularization, stage in the change process, and phase in the turnaround cycle. The instrument and related measure also relies on the accuracy of self-report measures of the faculty surveyed and their ability to assess their school in relation to the concepts given on the survey. Beyond their ability to comprehend and relate the given questions asked to their own school, the survey instrument also presupposes the respondents' honesty as well as their ability to complete an online survey form without error or technical malfunction.

Further, a significant portion of data, the composite financial scores, is from previous analysis done by the United States Department of Education. This data is used at face value, though there could be errors in data collection and reporting by the agency. Another limitation in regard to this particular data is the condensed scale upon which the composite scores are calculated. This scale from -1 to 3 does not allow for a significant range of variability between the scores. Also, since the DOE does not report scores for schools previously determined to not meet the required initial financial requirements due to a failing composite score are not included in the DOE's report (Studentaid.ed.gov). However, a histogram based on a random sampling of the CCCU schools studied shows enough variability to proceed with the study. This score is also complemented by the *Forbes'* financial grade of the school to aid in reliability.

### **Ethical Considerations**

The study was conducted with the aim of being ethically sound. First, the sample selected was developed from already publically available email listings of faculty members, and emails were not solicited through any means of personal contact that could have been construed as intrusion. Institutional Review Board (IRB) approval was sought and obtained before conducting the research. The voluntary nature of the survey was emphasized in the email invitation to

participate. While this study was anonymous, a message regarding informed consent was included on the solicitation email prior to the respondent being asked any questions. This notice informs participants that their withdrawal is possible at any time by just simple withdrawal from the online questionnaire. No deception is used in the study, and there is no funding or sponsorship of this research. Completion of the survey was completely voluntary and should have caused no perceivable harm to participants. All responses were anonymous and confidential. Response results will be stored on a password protected file on the researcher's computer, and made available upon request.

### **Chapter Summary**

Given that the review of the literature undertaken demonstrates a lack of quantitative study in the area of the relationship of mission fidelity and financial health, this study aimed to determine whether or not a relationship exists between these two variables. To that end, the research questions were drafted to discover that relationship. The methodology used included administering a survey instrument to determine mission fidelity and correlating that score to each school's DOE rating and *Forbes* College Financial Grades, with the hypothesis that the higher a college's fidelity, the better the financial health of the school.

## CHAPTER 4

### FINDINGS

Christian higher education institutions exist in a complex environment in which administrators must navigate difficult financial times while achieving the mission of their institution amidst the backdrop of extant literature that suggests an interrelationship between the two. However, the largely qualitative research done in this area has failed to quantify whether such a relationship exists. This study sought to find whether or not such a relationship exists using quantitative methods. The questions posed for this research included:

- 1) What is the relationship between mission fidelity and financial health at Christian higher education institutions?
- 2) Does the relationship between mission fidelity and financial health vary across stages of the turnaround cycle at Christian higher education institutions?
- 3) Does the relationship between mission fidelity and financial health vary across phases in the transformation process at Christian higher education institutions?

To answer these questions, a faculty perception survey was developed based on Benne's (2001) Typology of Christian Colleges, MacTaggart's (2007) Turnaround Cycle, and Kotter's (2007) Eight Steps to Organizational Transformation. Financial data were collected on the schools sampled from the DOE Financial Responsibility Test and *Forbes* College Financial Grades. The survey was sent out using the software program Qualtrics to the email addresses of 2,199 faculty members at the schools sampled. A reminder to participate was sent out one week after the initial distribution and then two weeks after. The survey was closed after the end of three weeks. The following chapter reports the results of the survey including response rate, demographic data, a report of the data analysis, and findings for each research question.

## **Respondents**

Using the random sampling method described in the previous chapter, 85 sample schools were chosen from the CCCU membership list of 153 schools. While the methodology proscribed inviting up to 10 faculty from each of five core areas including Christian Studies/Theology, Psychology, English, History, and Education, to participate in the survey, very few schools had 10 or more faculty members in each division; most had less. This included an average of approximately six Christian Studies or Theology professors, six Education professors, six English professors, four History professors, and four Psychology/Behavioral Science professors invited to participate from each school. The mode for Christian Studies/Theology, Education and English professors invited was 10; the mode for History and Psychology professors invited was two.

### **Response Rate**

A total of 330 respondents completed the survey. Given the initial distribution to 2199 potential participants, this gives a response rate of approximately 15 percent, lower than the expected 20 to 30 percent. There was at least one respondent from 81 of the 85 schools sampled. Also, while the hope was to obtain at least two responses from each school, 15 schools had only one faculty member respond and 4 had none. Responses of those with only one respondent are included in the results. For any omitted questions, missing data was omitted from the calculations.

### **Demographic Data**

As stated, 81 of the 85 members of the CCCU member schools sampled had at least one respondent. As literature showed a difference in the way administrators versus faculty perceive mission, respondents were asked if they were currently a faculty member in a non-administrative

role at their institution. Of those who responded, 224 said they were a faculty member in a non-administrative role, four said they were not a faculty member in a non-administrative role, and 82 said they were both an administrator and a professor.

### **Descriptive Statistics for Variables Studied**

The variables studied included a school's mission fidelity, measured using Benne's (2001) typology; financial health, measured using the DOE Score and the Forbes GPA for each school; Turnaround cycle stage, measured using MacTaggart's (2007) Turnaround Cycle; and phase of transformation, measured by Kotter's (2007) Phases of Transformation. The frequencies and descriptive statistics for each variable are represented in the tables and diagrams that follow.

#### **Mission Fidelity**

One of the chief variables for this study was mission fidelity. Mission fidelity was measured using a typology developed by Benne which places colleges on a continuum between "orthodox", or high mission fidelity, and "accidentally pluralist", or low mission fidelity.

**Mission Fidelity Score.** This typology was operationalized, the responses from each school were averaged and a mean mission fidelity score was obtained for each school. The frequency of the scores for the sample are depicted in Figure 5, and descriptive statistic shown in Table 9.



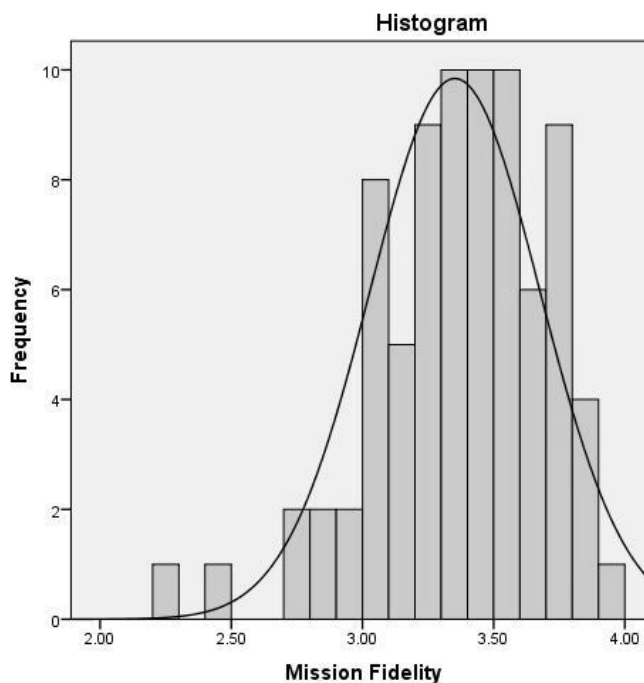


Figure 5. Frequencies of Mission Fidelity Scores in the studied sample of CCCU schools

Table 9. Descriptive Statistics for the variables of Mission Fidelity, DOE Scores, Forbes Score, Turnaround Cycle Stage, and Transformation Phase

Variable	N	M	SD
Mission Fidelity	80	3.352	.324
DOE Score	84	2.561	.647
Forbes Score	77	2.248	.652
Turnaround Cycle Stage	81	2.033	.417
Transformation Phase	81	4.074	1.581

As shown in Table 9 regarding the items related to the measure of mission fidelity using Benne’s Typology, there were a total of 80 valid responses on the Benne items. As shown in Figure 5, the frequency of responses tends to skew to the higher end of the 1 to 4 scale, with a  $M = 3.352$ .

**Colleges By Type.** Another finding is regarding the classification of schools sampled using Benne’s (2001) Typology. As shown in Figure 10, as calculated using the scores as shown in Figure 5, of the schools sampled, none were classified as “Accidentally Pluralist”, only one, or 1.2 percent, as “Intentionally Pluralist”, and the remainder were “Critical Mass”, at 51.8 percent,

and “Orthodox”, at 35.3 percent. The frequencies for each type are depicted in Figure 11 and Table 10. This shows a lack of variability in “type” of colleges according to the typology used.

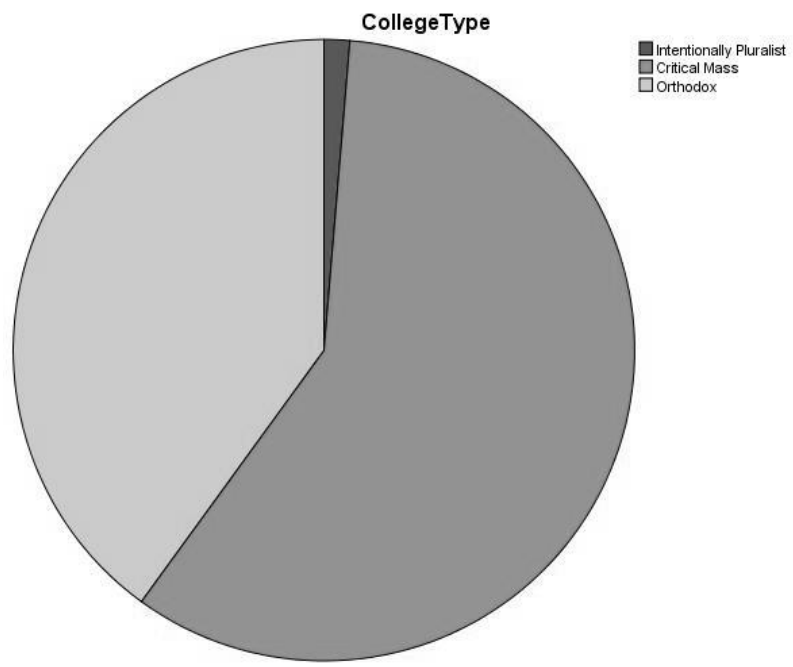


Figure 10. Percentage of Colleges by Type

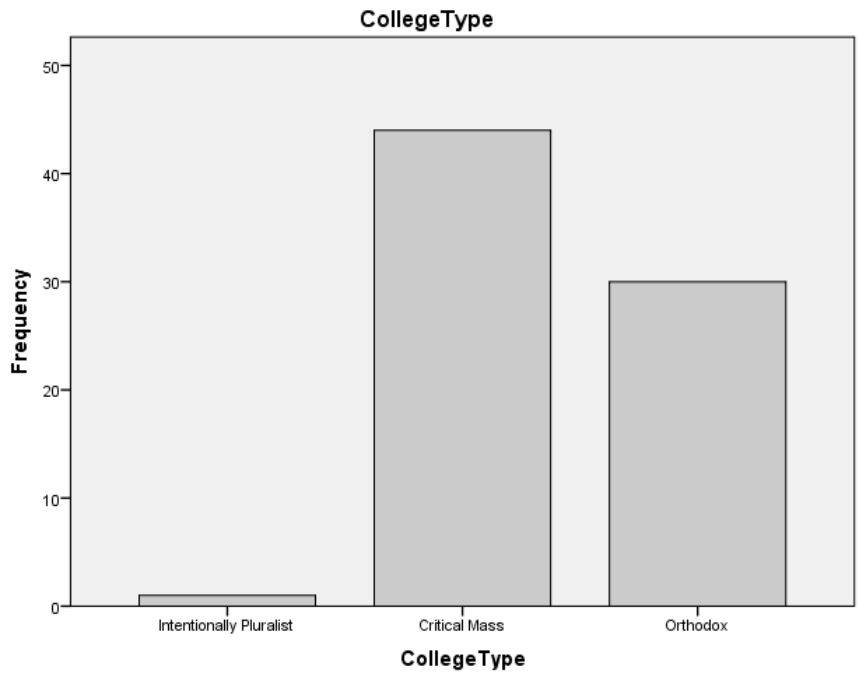


Figure 11. Frequencies of Colleges by type in the studied sample of CCCU schools

Table 10. Frequencies of Colleges by Type in the studied sample of CCCU schools

		CollegeType			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Intentionally Pluralist	1	1.2	1.3	1.3
	Critical Mass	44	51.8	58.7	60.0
	Orthodox	30	35.3	40.0	100.0
	Total	75	88.2	100.0	
Missing	System	10	11.8		
Total		85	100.0		

### Financial Health

A second key variable for this study was financial health. Two measures were used to ascertain a school's financial health, the DOE Financial Responsibility Score and the *Forbes* College Financial Grades GPA score. As shown in Figure 6, for the DOE measure of financial health,  $n = 84$ , the scores tend to spike between 3 and 3.2, with very few below 1 and very few above 3.2. As shown in Figure 7, for the *Forbes* measure of financial health, there was a total of 77 scores, with a  $M = 2.25$ , following a fairly smooth curve in the distribution diagram.

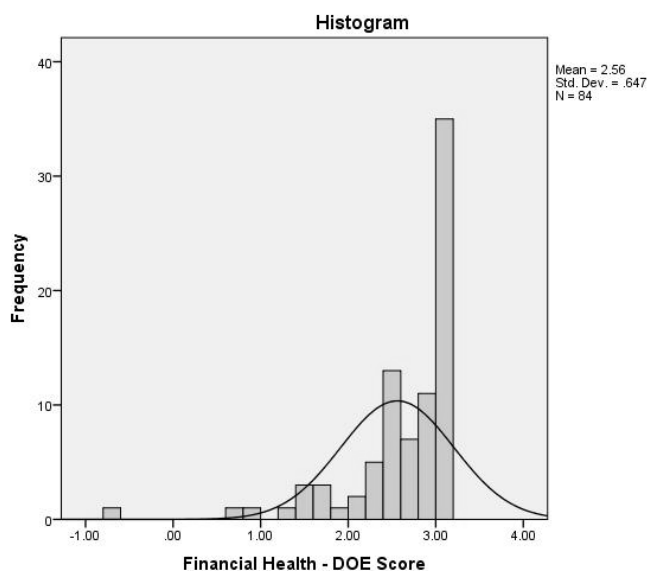


Figure 6. Frequencies of DOE Scores in the studied sample of CCCU schools

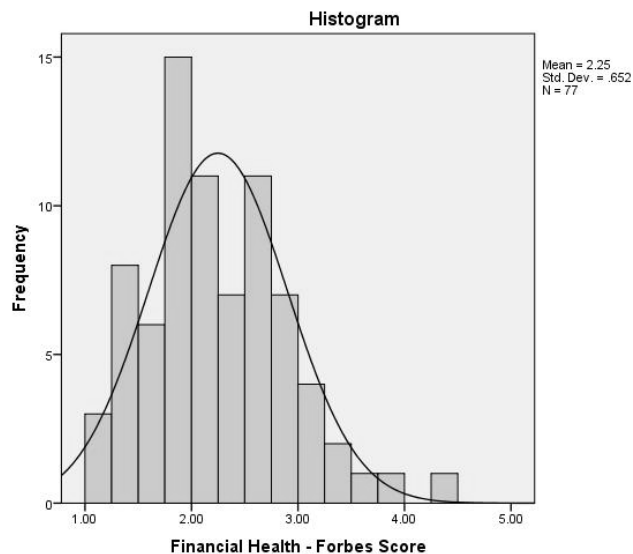


Figure 7. Frequencies of *Forbes* Financial Grades (GPA) Scores in the studied sample of CCCU schools

### Turnaround Cycle Stage

Another variable considered in this study was a school's stage in the turnaround cycle as described by MacTaggart (2007). As shown in Figure 8 and Table 9, there were a total of 81 valid responses for the Turnaround Cycle Stage variable, with the  $M = 2.033$  indicating that scores centered around the middle of that construct.

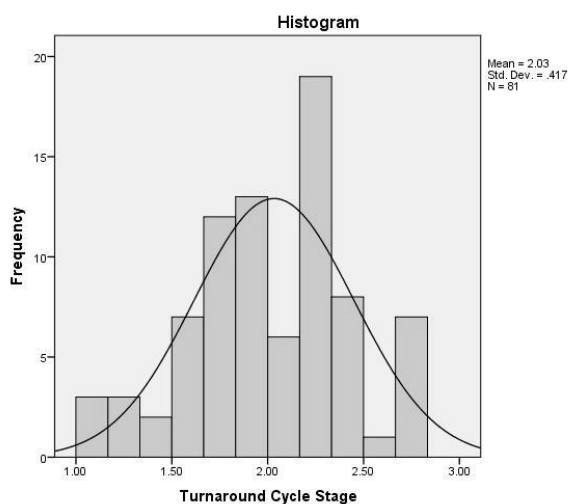
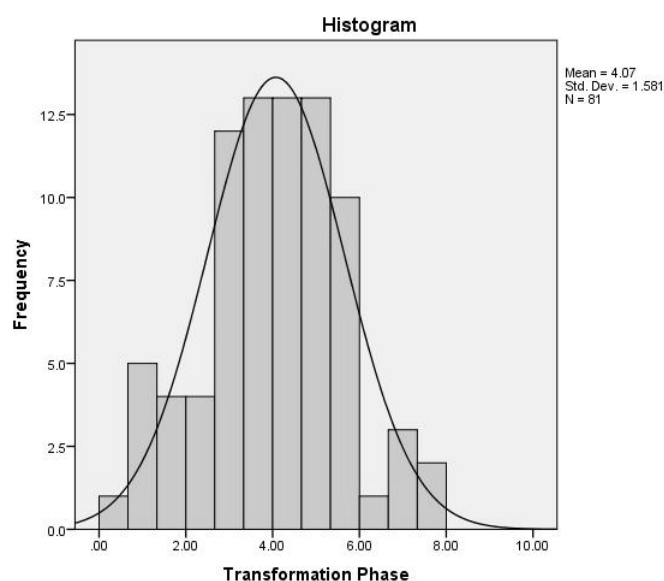


Figure 8. Frequencies of MacTaggart's Turnaround Cycle Scores in the studied sample of CCCU schools

## Transformation Phase

Another variable studied was a school's phase in the transformation process. This measure was based on Kotter's (2007) Eight Steps to Organizational Change. For the Transformation Phase measure, as shown in Figure 9 and Table 9,  $n = 81$ , the scores centered in the third through sixth phases of transformation, with very few in the early stages and very few in the later stages.



*Figure 9.* Frequencies of Kotter's Phase of Transformation Scores in the studied sample of CCCU schools

## Report of the Data Analysis

A total of 330 individual responses were obtained from the web questionnaire representing a total of 81 of the 85 schools surveyed. Responses were grouped according to institution, scored according to the corresponding values assigned to the measures, and then averaged to obtain an average score for mission fidelity and stage of the turnaround cycle. The responses to the item regarding the phase of transformation were also averaged for each school.

### Relationship between Mission Fidelity and Financial Health

Research question 1 was “What is the relationship between mission fidelity and financial health at Christian higher education institutions?”. To determine this, the mission adherence score calculated for each school was statistically correlated with the DOE financial score and the *Forbes* financial score.

*Table 11: Descriptive Statistics and Correlations among Mission Fidelity, Financial Status, and Phase in Transformation Process*

	1	2	3	4	5
1. Mission adherence (Benne)	---				
2. DOE Score	.047	---			
3. <i>Forbes</i> Score	.115	.541*	---		
4. Turnaround Cycle Stage	.143	.267*	.306**	---	
5. Transformation Phase	.115	.212	.279*	.560**	---
M	3.352	2.561	2.248	2.033	3.882
D	.324	.647	.652	.417	1.770
Scale Min/Max Values	1 to 4	-1 to 3	1 to 4	1 to 3	1 to 8

Note. n = 81

\*p < .05

\*\* p < .01

The Pearson’s correlation calculation and results revealed that neither mission adherence and financial health according to the DOE Score nor mission adherence and financial health according to the *Forbes* score were significantly related at the .05 level of significance. Two things of note were that both DOE and *Forbes* measures are weakly positively related to mission adherence. These results reveal that the DOE score and the *Forbes* score are positively and statistically related at the .05 level of significance ( $r=.541$ ). This level of correlation indicates that these two items are measuring financial health in much the same way.

### Relationship of Mission Fidelity and Financial Health based on Turnaround Cycle

Research question 2 was: “Does the relation of mission fidelity and financial health vary across stages of the turnaround cycle at Christian higher education institutions?”. To assess whether financial health interacts with turnaround cycle stage, two regression analyses were

performed, one with the DOE financial scores and the second with the *Forbes* financial scores. Regression analyses testing the interaction between financial health and turnaround cycle are reported below in Tables 12 through 14.

While the correlation results show a positive and significant relationship between the DOE score and the *Forbes* score, as would be expected, the regression results do not reveal any statistically significant interaction between the mission fidelity and financial health and the stage of the turnaround cycle. The regression analysis shows no interaction using either the DOE scores or the *Forbes* scores, based on the stage of the turnaround cycle.

*Table 12: Regression of Turnaround Cycle Stage, Transformation Phase, Mission Fidelity and Financial Health using DOE scores*

Variable	B	Se	95%CI	t
Mission Fidelity	.022	.228	-.433, .476	.096
Turnaround Cycle Stage	.334	.211	-.087, .755	1.579
Transformation Phase	.030	.057	.084, .144	.528

Note.  $R^2 = .070$ , adj.  $R^2 = .032$ ,  $df = 78$ ;  $n = 79$

*Table 13: Regression of Turnaround Cycle Stage and Mission Fidelity and Financial Health Interaction using DOE scores*

Variable	B	Se	95%CI	t
Mission Fidelity	-.220	1.009	-2.230, 1.790	-.218
Turnaround Cycle Stage	-.061	1.618	-3.284, 3.163	-.038
Transformation Phase	.027	.059	-.091, .145	.453
Mission Fidelity*Turnaround Cycle Stage	-.061	.489	-.854, 1.095	.246

Note.  $R^2 = .070$ , adj.  $R^2 = .020$ ,  $df = 78$ ;  $n = 79$

*Table 14: Regression of Turnaround Cycle Stage, Transformation Phase, and Mission Fidelity and Financial Health Interaction using Forbes scores*

Variable	B	Se	95%CI	t
Mission Fidelity	.190	.275	-.358, .738	.692
Turnaround Cycle Stage	.358	.248	-.137, .854	1.443
Transformation Phase	.047	.065	-.084, .177	.712

Note.  $R^2 = .105$ , adj.  $R^2 = .065$ ,  $df = 71$ ;  $n = 72$

*Table 15: Regression of Turnaround Cycle Stage and Mission Fidelity and Financial Health Interaction using Forbes scores*

Variable	B	Se	95%CI	t
Mission Fidelity	-.905	1.446	-2.230, 1.790	.626
Turnaround Cycle Stage	1.508	2.298	-3.079, 6.096	.656
Transformation Phase	.044	.066	-.087, .176	.672
Mission Fidelity*Turnaround Cycle Stage	-.339	.673	-1.683, 1.005	-.503

Note.  $R^2 = .108$ , adj.  $R^2 = .055$ ,  $df = 71$ ;  $n = 72$

### **Relationship of Mission Fidelity and Financial Health based on Transformation Phase**

Research question 3 was: “Does the relation of mission fidelity and financial health vary based on a college’s phase of transformation at Christian higher education institutions?”.

Regression analysis was used to determine if the level of correlation between mission adherence and financial stability was affected by a school’s phase in the transformation process as described by Kotter (2007).

Again, to assess whether mission fidelity and financial health interact with the transformation phase, two regression analyses were performed, one with the DOE financial scores and the second with the *Forbes* financial scores. Regression analyses testing the interaction between mission fidelity and financial health and the transformation phase are reported below in Tables 16 and 17. While the correlation results show a positive and significant relationship between the DOE score and the *Forbes* score, the correlation and regression results do not reveal any statistically significant variation in the correlation between the mission fidelity score and the financial health scored based on the phase of the transformation process.

### **Additional Data**

In addition to the original research question, data regarding the measurements used and feedback from respondents provided further insight to this study.



*Table 16: Regression of Transformation Phase and Mission Fidelity and Financial Health Interaction using DOE scores*

Variable	B	Se	95%CI	t
Mission Fidelity	.446	.616	-.781, 1.674	.725
Turnaround Cycle Stage	.357	.214	-.070, .784	1.664
Transformation Phase	.357	.444	-.528, 1.242	.804
Mission Fidelity*Transformation Phase	-.098	.132	-.361, .165	-.742

Note.  $R^2 = .076$ , adj.  $R^2 = .026$ ,  $df = 78$ ;  $n = 79$

*Table 17: Regression of Transformation Phase and Mission Fidelity and Financial Health Interaction using Forbes scores*

Variable	B	Se	95%CI	t
Mission Fidelity	-.106	.640	1.384, 1.172	-.165
Turnaround Cycle Stage	.355	.250	-.144, .854	1.421
Transformation Phase	-.212	.509	-1.229, .805	-.416
Mission Fidelity*Transformation Phase	.077	.151	-.224, .378	.512

Note.  $R^2 = .108$ , adj.  $R^2 = .055$ ,  $df = 71$ ;  $n = 72$

**Variable Correlation.** As seen in Table 11, these results reveal several correlations.

First, as previously mentioned, the DOE score and the *Forbes* score are statistically and positively

correlated at the .05 level of significance ( $r=.541$ ). Also, the turnaround cycle stage associated positively with both measures of financial health at .267 (DOE score) and .306 (Forbes), so this demonstrates that the further along a school is in the turnaround cycle, the better their financial health. Finally, the phase of transformation and the stage of the turnaround cycle are also statistically and positively related at .560. This indicates that the further along a school is in the phases of transformation, the better their financial health.

**Participant Feedback.** In addition, although not requested as a formal component of this study, feedback from at least 57 different respondents provided some useful information regarding the survey instrument. Many participants chose to use the researcher's email address

provided in the solicitation email to make comments regarding the survey. Many communicated that they respectfully did not wish to participate in the survey or had retired and did wish to take part in the study. Other would-be participants asked for more information about the study, at least two asked to see the results once obtained, and at least two simply asked for verification of the legitimacy of the project to assure the solicitation email was not “spam”. One participant responded at length stating that:

As noted in my personal responses to your survey, financial health and relevancy to a growing student population both undergraduate and graduate is of great concern. We continue to exist without deep reserves and certainly we don't have millions of dollars earning interest to help us with day to day and year to year budget concerns. We remain a school that always worries about finances and this shows on concerns for faculty and staff salaries.

Other respondents commonly expressed issues concerning the forced response nature of the survey, IRB protocol, school and participant identification, and ethical concerns.

***Forced Response.*** At least seven different respondents discussed the difficulty of answering questions due to the forced response design of the questionnaire. Even though the survey asked participants to choose the statement that best described their particular institution, respondents reported that their particular school's handling of the item at hand, whether chapel requirements, course requirements, membership requirements or the like, were not precisely represented and they did not wish to choose an answer or were forced to choose an answer that was not representative of their institution. One respondent wrote, “I had to leave a number of your questions unanswered because none of the answers fit our situation . . .”. Another respondent stated,

Sorry. I tried to participate but your questions are not conducive – they are too narrowly restrictive. In other words, your instrument is lacking. You ought to have a fifth option that says “other”. Forced choice that requires a person to give incorrect information renders your research useless.

**Question Wording.** Some respondents pointed out problems with the wording of certain response choices. Several even stated that some of the questions responses were “double-barreled” and should be separated into different question items. One such respondent stated, “I just completed your survey and I want to share a little advice. Several of your questions had multiple parts, which made it difficult to know how to answer. For example, if a question says, ‘My institution requires faculty to be of a particular denomination or tradition and requires annual signing of a statement of faith,’ it’s difficult to know how to respond if the answer to the first part is yes and the answer to the second part is no. There were probably 5 such questions like that for me in your survey.” At least four participants questioned the use of the term “sponsoring tradition/denomination”. In particular, one respondent reported that his school was Christian, but not affiliated with a particular denomination, thus he was unsure how to answer in some cases. Another respondent communicated that “I think any interdenominational college would have similar difficulties in answering the questions that assume a sponsoring denomination”. Another such comment in regard to the membership requirements of faculty and staff, item 6, was that “My institution does not require all from the sponsoring tradition (so [response] 1 is not acceptable) but they do accept from other Christian traditions but NOT ‘with no religious affiliation.’ So [response] 2 is not acceptable either. Thus there is no acceptable answer for schools within the CCC schools that commit to hiring within the Christian tradition, but just not their own sponsoring tradition. You have a number of these schools in your sample”.

Another issue was regarding item 8 which concerns the size and significance of the religion or theology department. One respondent noted that her school's theology department was small, but faculty members were required to be of the sponsoring religious tradition or denomination, thus the school's situation was not represented in the responses. Others commonly noted the same issue regarding item 8 concerning the Religion and Theology Department, item 9 concerning required religious courses, and item 10 regarding chapel requirements. Several respondents suggested adding an "other" category to be filled in.

***IRB Protocol.*** At least three schools in the sample asked to see the researcher's IRB documents. After contacting the faculty via the publically available email addresses, the researcher was contacted by several school administrators who requested that she go through their internal IRB process. One school representative noted that they usually accept the IRB certification of a researcher's institution, but that they needed to see a copy of the questionnaire and the IRB documents. Another such respondent noted: "Typically, when someone wants to access faculty and/or students, the standard research protocol is to gain access from the institution. We participate in such on a regular basis, and generally just ask for the approved IRB from the host institution and other summary information... We do review it for validity, nature of the contact process, and a few other areas, but it is generally a simple and quick process." The researcher provided the requested documentation for those that asked while the survey was still open.

***School and Participant Identification.*** At least two respondents were concerned about whether their name or their school's name would be identified in the final document. The researcher addressed these questions by assuring the respondents that results were to be presented in aggregate and that pseudonyms could be substituted for school names if the need to

refer to a specific school arose in the publication. However, at least one respondent indicated a concern that their school would be reflected in a negative light. He asked: “To what degree is the information anonymous, and could this reflect negatively on a given school”.

***Qualification and Permission.*** Two respondents noted they did not feel qualified to complete the survey on behalf of their school. One respondent noted, “I’m just an academic. I know little about the finance of the institution, and care little about it as well. So not sure if I fit the profile of whom you need to survey”. At least one respondent also noted concerns about whether or not she had permission to disclose information about the school. One such respondent wrote: “Your research looks very interesting. However, due to the nature of the question, I am not sure if I am the one who should answer it. I also was not sure what information I should disclose as a faculty member”.

***Ethical concerns.*** In addition to requests regarding IRB protocol, the researcher’s ethics were also questioned by one of the respondents. This was most likely in response to the solicitation email’s inclusion of the informed consent document which discloses that the emails were collected via publically available listings and that permission had not been requested from the individual schools. The respondent in essence felt it unethical for the researcher to contact the faculty without consent of the school’s administration. He noted,

As a fellow academic and researcher, I question your ethical stance to try to gain data when permission had not been granted. Why would you even try this? I would challenge you with increasing your ethical standards. If this survey is about persons, that is one thing. An institution is entirely different thing. I am also sending this response to my academic V.P.

***Worthiness of the research.*** Two respondents felt like the research based on the questionnaire developed would not yield relevant results. One respondent noted, “This is far too limiting since your n is rather small anyway. In the end, it will be used by people to make statements regarding Christian Colleges. It just seems counter-productive to me. This becomes a mere project. Good luck. I’d prefer if this were in conjunction with, say, the Lily Foundation over a long trajectory. Seems a bit easy to use someone else’s typology. Why not develop your own? Rigorous research takes years.”

### **Chapter Summary**

The findings did not reveal any statistical correlation between the mission fidelity rating of a school and its financial ratings based on the DOE score and the *Forbes* grade. Also, no interaction was found between the school’s level of correlation between mission fidelity and financial health and either the stage in the turnaround cycle or the phase of transformation.

However, the results showed a positive correlation between the DOE score and the *Forbes* score, indicating that the two are measuring financial status in much the same way. Also, a positive correlation between the *Forbes* score and the stage in the turnaround cycle indicated that financial health is improved as a school moves through the turnaround cycle stages. A positive correlation between the stage of the turnaround cycle and the phase of transformation indicated that these items are related. Finally, unsolicited email commentary from respondents revealed some possible areas of focus for future research and suggestions for improving the instrument and survey method.

## CHAPTER 5

### SUMMARY, CONCLUSIONS, DISCUSSION, AND RECOMMENDATIONS

#### Summary of the Study

Institutions of American higher education face significant challenges in the current economic and social environment, and many private Christian colleges especially are failing financially in the face of this climate. This financial crisis is complicated by the dual mission of Christian schools to see to both the academic and spiritual education of their students, and questions regarding how to handle the spiritual aspect of the institution's mission. The decline in the vibrancy of these schools can be attributed to many factors, but mission conflict and finance are two oft cited contributors in the literature. In response, schools often feel the need to adjust the intensity of their spiritual mission with aims at increasing enrollment or donors, but the only literature that gives direction on whether or not this is viable is largely qualitative in nature.

In order for private Christian schools to move forward, these institutions need direction in how their mission is related to their financial stability. The purpose of this study was to add to the current literature about the relationship of mission and college financial status. While the extant qualitative literature and case studies give anecdotal evidence, this study employed a quantitative analysis to see if there is a correlation between a college's mission adherence and its financial health. This information should be the impetus for further research to determine how college administrators can move failing colleges forward toward more financial stability.

Related literature on this topics centers on conceptual frameworks related to this issue, current challenges in higher education, challenges specifically for Christian higher education, financial issues in higher education, the role of strategic planning, and the relationship of mission

and financial health. All of these topics provide the background information to inform this study, and how all of these come together in the complex world of Christian higher education.

Three theoretical constructs have relevance to this research. They include Benne's (2001) Typology of Christian colleges, Kotter's (2007) Eight-Step Process of Leading Change, and MacTaggart's (2007) Three Stages of College and University Revitalization. The focal theory Benne's Typology, is a continuum that places schools in categories depending on how closely aligned they are with their spiritual mission. MacTaggart's (2007) Stages of the Turnaround Cycle outlines the three stages schools go through when endeavoring to make a financial turnaround, including financial recovery, marketing and branding, and redefining the culture. Finally, Kotter's (2007) Eight-Step Process of Leading change describes eight phases which institutions go through when making organizational change, from establishing a sense of urgency, forming a guiding coalition, creating and communication the vision, empowering others to act, planning for short-term wins, consolidating improvements and institutionalizing new approaches. While Benne's Typology provides the framework for measuring mission fidelity, MacTaggart's and Kotter's theories provide information about direction, both financially and organizationally, respectively.

While these theories inform the framework of this study, understanding present challenges for American higher education provides background. These challenges include the general decline in perception of liberal arts education in favor of more career-oriented higher education, decreased governmental funding, the economic downturn of 2008 and its after-effects. In particular for Christian higher education, these institutions face problems arising from the decline of Christianity, secularization, pluralism, diversity, globalization, admissions policies,



perceptions of inferior quality, and an oversaturation of schools. In addition mission conflict and financial issues are among the most prominent issues these schools face.

In regard to financial issues, several measures have been developed to monitor school's financial health including the IPEDS report, the DOE Responsibility Test, the CFI ratio, and *Forbes* College Financial Grades. These each measure financial stability in slightly different ways, but basically consider things like enrollment, debt, revenue, funding sources, etc., to calculate a ratio of financial status. Each has corresponding categories of stability, albeit on different scales of varying parameters.

While these calculations are important to understand for this study, the literature on successful turnarounds is significant. One such study was done by MacTaggart (2007) who studied 40 colleges and universities in financial distress and developed the aforementioned stages of the turnaround cycle for colleges in distress. Carey (2014) did a case study on two different colleges which had undergone a transformation, noting various things that potentially enabled the positive change. Also, a case study of Waynesburg University, a school which made a major turnaround in their financial status through a renewed focus on mission, is the anecdotal precedent for this study.

Other research focuses on the role of strategic planning in this issue. While such planning can help pull people together toward goals in an organization and create an identity, this process also has detractors who say the process is inefficient and ineffective. Mission is often the focus of strategic planning, and literature is divided as to the importance of mission as a confirmation of the college's foundation and those who say the language is too vague, but most institutions of higher education still use such statements as part of their guiding documents.

While some do not see the importance of mission, there are some who believe it is either directly or indirectly tied to a college's financial health. First, the mission cannot be accomplished without financial stability. Also, strategic planning which often focuses on mission development, is tied to budget development. Ties have also been made between mission and organizational performance and even fundraising efforts.

Given the background provided in the research, the three research questions posed in this study included:

- 1) What is the relationship between mission fidelity and financial health at Christian higher education institutions?
- 2) Does the relation of mission fidelity and financial health vary across stages of the turnaround cycle at Christian higher education institutions?
- 3) Does the relation of mission fidelity and financial health vary across phases of the transformation at Christian higher education institutions?

In order to answer research question 1, this study developed a measure of college mission fidelity using Benne's (2001) typology of Christian colleges, which categorizes a school from "orthodox" (given a score of 4) and "intentionally pluralist" (given a score of 1). A survey was sent out to faculty at a random sample of 85 different schools within the CCCU to obtain faculty perception of mission fidelity. This measure of mission fidelity was then correlated with the DOE Financial Responsibility score as well as the *Forbes* Financial grades. To answer research question 2 and 3, MacTaggart's Stages of the Turnaround Cycle and Kotter's Eight Phases of Transformation were quantified, and regression analysis was used to see if there was any interaction between stage in the turnaround cycle or phase of transformation and the relation of mission fidelity and financial health.

Content validity was established as the measures were developed from existing literature and via two iterations of a pilot study, while reliability was determined using Cronbach's alpha and test-retest reliability. Data was collected using the survey program Qualtrics and calculations made using excel and SPSS.

The statistical analysis revealed no correlation between mission fidelity and financial health. Also, the regression analysis reveals that there is no interaction in the amount of correlation between mission fidelity and financial health based on either the stage in the turnaround cycle or the phase in the transformation process. However, there was a positive correlation between the *Forbes* financial grade and the stage in the turnaround cycle, and between the stage in the turnaround cycle and the phase in the transformation process. Respondent commentary also revealed misgivings about the forced response nature of the questionnaire, certain question item wording, concerns about IRB protocol and ethical concerns.

### **Major Findings**

The statistical correlations and regression performed with the variables in this study give insight into the relationship between mission fidelity and financial health, and the variance in that relationship based on a school's stage in the turnaround cycle and transformation phase. The conclusions based on the findings concerning the descriptive statistics of the sample studied, the three research questions posed regarding these relationships, and additional findings and feedback are discussed below.

### **Descriptive Statistics of the Sample**

The descriptive statistics of the sample studied reveals some interesting findings about the group researched. As depicted in Figure 5, the mean mission fidelity scores of the sample group at the higher end of the 1 to 4 scale. This shows a relative lack of variability in school type

according to mission fidelity. As the large majority of the schools studied were either “critical mass” or “orthodox”, as shown in Figures 10 and 11, the frequencies and percentages of the schools by type further demonstrate this group homogeneity. While the mission fidelity scores did not have great variability, there was some variability in the financial health scores. Though the DOE scores definitely spiked at the higher end of the scale, as depicted in Figure 6, the *Forbes* GPA scores showed a smoother distribution of scores on that scale. So, while the schools did not vary much in type, they did vary in financial health, supporting the conclusion that mission fidelity does not have bearing on financial health. Figures 8 and 9 show that there is also variability in the sample in the school’s respective stage of the turnaround cycle and transformation phase. This indicates, again, that while the schools were mainly “critical mass” and “orthodox”, they represented various stages of the turnaround cycle and phases of transformation.

### **Mission Fidelity and Financial Health**

In relation to the findings regarding research question 1, “What is the relationship between mission fidelity and financial health at Christian higher education institutions”, the findings do not reveal any significant relationship between mission fidelity and financial health, as shown in Table 11. In other words, how closely an institution is aligned with its spiritual mission is not shown to be related to its financial success.

### **Mission Fidelity, Financial Health, and Turnaround Cycle Stage**

In relation to the findings regarding to research question 2, “Does the relation of mission fidelity and financial health vary across stages of the turnaround cycle at Christian higher education institutions?”, the findings do not reveal any interaction between stage in the turnaround cycle and the level of correlation of mission fidelity and financial health, as shown in

Table 12. In essence, where a school is in the turnaround cycle does not have a bearing on the relationship between their mission fidelity and their financial health.

### **Mission Fidelity, Financial Health, and Transformation Phase**

In relation to the findings regarding to research question 3, “Does the relation between mission fidelity and financial health vary based on a college’s phase in the transformation process at Christian higher education institutions”, the findings do not reveal any interaction between the phase in the transformation process and the level of correlation of mission fidelity and financial health, as shown in Table 13. A school’s placement in the phases of transformation does not have a bearing on the interrelation of their mission fidelity and financial health.

### **Variable Correlation**

The findings revealed interesting correlations beyond the focus of the research questions. As shown in Table 11, first, the DOE score and the *Forbes* score are statistically and positively correlated at the .05 level of significance. Since they are both measures of financial health, this is somewhat expected, but their significant level of correlation indicates that the scores could be used interchangeably. Also, the positively and statistically significant correlation between the turnaround cycle stage and the *Forbes* score indicates that the further along in the turnaround cycle, the better the financial health of an institution. Finally, the phase of transformation and the stage of the turnaround cycle were statistically and positively related, indicating that the further along a school is in the turnaround cycle stage, the further they are through the phases of transformation.

### **Participant Feedback**

As described in Chapter 4, many respondents chose to email the researcher after being invited to take the survey. As noted in the response shared, the enthusiasm of several other

respondents indicates a desire to find a solution for the issue studied in the research. However, due to the content and number of responses regarding the use of force response, it can be concluded that the forced response nature of the survey was an issue for many respondents. Also, given the content of email responses received, it can also be ascertained that several respondents were concerned about question wording, IRB protocol, the anonymity of their schools and themselves in results reporting, their relative qualifications to answer the questions, their school's permission for them to answer questions, and general ethical concerns about the research. These concerns can be taken into consideration in future research, and more specific recommendations are discussed in the section regarding recommendations for future research below.

### **Conclusions**

The data, findings, and conclusions derived from this study add to current literature on this topic in different areas. The findings are relevant to the conceptual frameworks used and the various challenges faced by higher education and Christian higher education institutions.

### **Conceptual Frameworks**

The conclusions drawn inform Benne's (2001) Typology of Christian Colleges, MacTaggart's (2007) Stages of the Turnaround Cycle, and Kotter's (2007) Eight Steps to Organizational Change. First, for this study the researcher developed an instrument that operationalized Benne's (2001) Typology of Christian Colleges, which measures a Christian college's relationship to its spiritual mission. With a Cronbach's alpha score of higher than 0.7 and test-retest reliability correlation coefficient of great than 0.8, this instrument is shown to be a reliable measure of mission. However, for the schools within the CCCU sample studied, there was not a lot of variability in mission, while there was variability in financial health, especially

according to the wider ranging *Forbes* score. So, since most schools in the study were either critical mass or orthodox, yet their financial scores varied, it cannot be concluded that a school's handling of its spiritual mission has a direct bearing on its financial status. This is not to say that a school's handling of its spiritual mission is unimportant, but just that it is not connected to its financial well-being.

While the stages of the turnaround cycle as described by MacTaggart (2007) do not influence the relationship of mission and finance at a school, the correlation between the stage in the turnaround cycle and the *Forbes* score indicates there is a relationship between the stage in the turnaround cycle and financial health. This finding tends to validate MacTaggart's assertions in a quantifiable way.

In addition to its bearing on Benne's and MacTaggart's previous work, the correlation between MacTaggart's turnaround cycle stages and Kotter's transformation phases is also relevant. This confirms the congruency of these two frameworks, i.e. that the further along in the turnaround cycle a school is, the later the school's phase in transformation. While MacTaggart's deals with largely bigger-scale movements more related to marketing and finance, the more detailed stages of Kotter's in relation to planning and implementation actions suggest that these are in sync.

### **Current Environmental, Internal and Financial Challenges**

As described in the literature, higher education institutions and more specifically Christian colleges face a milieu of challenges in the current environment, including but not limited to internal and financial pressures. These challenges include the declining perception of the liberal arts (Baker, 2012; Logan & Curry, 2015), decreased funding from government (Beattie et al, 2013) and other sources, the recent economic downturn (Curry, Rodin, & Carlson,

2012), the decline of Christianity (Curry, Rodin, & Carlson, 2012), secularization of schools (Baker, 2012; Dosen, 2012; Swezey & Ross, 2012), postmodernization (Rine, 2012), urbanization (Bills, 2013), diversity (Fletcher, 2013), and globalization (Carpenter & Ntarangwi, 2015). Nearly all the decisions made regarding these environmental issues can be informed by understanding the lack of relationship between mission and finance. If these findings hold across future studies, decisions of whether to make a change in mission or handling the spiritual aspect of the school can be made to deal with these aforementioned challenges without fear or hope that it will affect the bottom line.

The same can be said about handling internal pressures faced by Christian colleges. These come in the form of faculty recruitment and scholarship (Swezey & Ross, 2012), inferiority perceptions (Baker, 2012; Donahoo & Lee, 2008; Swezey & Ross, 2012), mission conflict (Baker, 2012; Donahoo & Lee; Taylor, 2015), and faith and learning choices (Esqueda, 2014; Reeder & Pacino, 2013). Faculty recruitment, for one, is actually directly pertinent to one of the survey items; therefore, it is directly measured. The lack of correlation between mission and finance with that particular item calculated in may mean that how a college decides to handle the denominational leanings of its faculty does not bear on its financial health. While the difficulty faculty have in performing scholarship and the inferiority perceptions may persist, decisions about how to handle mission conflict and faith and learning choices, again, can be made without hope or fear of how those choices will affect the bottom line.

In addition, in light of the recent financial issues experienced by institutions of Christian higher education (Baker, 2012), this study elucidates the fact that a school needs to look elsewhere besides the mission to make serious improvements in revenues from funding sources, such as alumni and donor giving, endowment, government support, tuition reliance, and



denominational giving. Again, the lack of a correlation between mission and finance shows that a re-focused mission alone is not enough to make a marked difference in financial health.

These results also show that the literature on successful turnarounds based on a mission-focused strategy, such as those studied by MacTaggart (2007), Carey (2014), Head (2009), and Cowen (1993), and the case study on Waynesburg by Dittmar (2009) were largely anecdotal in nature. The lack of quantitative data to support this mission-focused strategy to improve financial status shows these as either special cases, or that there was more complexity in these successful turnarounds studied than simply a re-invigorated mission.

### **Strategic Planning**

Another area in which this study adds to the literature is in the area of strategic planning. Since the mission is often the focal point of strategic planning efforts, the findings here seem contrary to Erikson (2007) and Ozdem (2011) who found that strengthening of a school's mission was related to improved performance. Results here also perhaps give credence to those who see mission as problematic such as Camelia and Marius (2013), who found that for many schools, the language used in their mission is too similar to that of other schools and fails to set them apart or make any meaningful difference in their place in the market. While the role of mission in strategic planning, and the role of strategic planning in general, may be important to a school for other reasons, the lack of correlation between a school's mission and its financial health seem to indicate that reason is not its direct relationship to financial health.

In sum, while the literature reveals some qualitative and anecdotal evidence of a school's financial turnaround based on a renewed focus on its mission, the quantitative data here do not indicate such a relationship. The unexpected correlations that are revealed may be more telling. Since the stage in the turnaround cycle was positively and significantly related to the *Forbes*

financial grade, a school may look to that measure to see where they are and how to move to the next stage. Also, since the stage of the turnaround cycle and the phase of transformation were statistically and positively correlated, this indicates that a look at the stage of transformation the school is currently in and what the next phases are may be a starting point for change. Further, while none of the three hypotheses were proven, there was statistical evidence to show that the measure used to determine a school's mission fidelity, stage in the turnaround cycle, and phase of transformation was reliable.

### **Implications and Recommendations**

The findings of the study yield both some recommendations for practice and some for future research. The findings regarding the research questions provide information for administrators in decision-making in various areas. In addition, the findings regarding the sample and respondent feedback suggest future areas of study and research improvements.

#### **Implications for Practice**

First, while it has previously been thought that mission fidelity has a bearing on a school's financial health, the lack of statistical evidence to show this suggests that schools need to look elsewhere to begin a financial turnaround, or at least that a re-invigorated mission by itself does not show promise for improving financial status. This information has bearing on various levels and areas of college administration. In particular, this affects administrators at Christian higher education institutions in the area of strategic planning. Since much of strategic planning is focused on the school's mission, these findings go to the very core of that process. These findings also have implications for the CCCU as a whole. As a group founded to organize and promote Christian higher education, finding ways to improve member schools' financial vitality should be an utmost concern, and these results indicate that there is much more research

needed in this area to hit upon the key to successful financial turnarounds. Other governing boards, such as those of the schools' sponsoring denominations as well as the boards of trustees of the individual schools can better navigate the decisions they must make regarding mission and finance armed with this further information. College public relations officers as well should understand that the school's public rhetoric, in particular, does not have to be governed by concerns about mission fidelity. The provost and faculty governing boards can utilize this information when determining what requirements to make of students regarding religious and theology courses in the required core curriculum, and student life administrators can make more informed decisions regarding the student conduct codes and residence life regulations. In sum, while school administrators may look to changes in their mission or mission statement for other reasons in these various areas, these results suggest that it should not be with an eye to improve their school's fiscal strength.

However, the findings related to the turnaround cycle, which assesses a school's focus, presidential leadership style, and academic program status, show that a look at these areas may be informative. The turnaround cycle goes from a focus on the financial status of a school, to marketing some new programs, to implementing new learning styles, and once a school determines which stage it is in, the administrators can see what stage is next and begin to determine how to move their school in that direction. This might work similarly with the phases of transformation. By first identifying the stage of transformation that a school is in, the administrators can look forward to the next phase and determine what measures to undertake to move their institution forward.

## Recommendations for Further Research

In addition to these findings, the results here reveal some opportunities for future research. Researchers can replicate and improve upon this research in various ways.

**Instrument.** The statistical reliability of the mission fidelity measure and the turnaround stage measure provide a basis for future researchers doing like studies. In addition, the unsolicited email responses from participants make specific suggestions about question wording. Many emails noted that the forced response nature of the survey made answering the questions difficult for them. Even though the directions ask respondents to choose the selection that best describes their school, several respondents did not feel the responses represented their school accurately enough. Because a school can handle each aspect of their spiritual mission in more than four different ways, however, this makes it difficult to keep response choices aligned with the 1 to 4 scale used. Adding an “other” choice as described by some respondents would not be conducive to this type of scoring either, as it would either not be quantifiable or would require a judgment call on the part of the researcher instead of the participant. One solution to this difficulty, which also addresses the email comments about question wording, would be to further separate the concepts discussed in the items. For example, item 8, “What size is your school’s theology department and what are the requirements of its faculty”, has responses that include several components. This question could be separated into “What size is your school’s theology department” and “What are the requirements of the faculty of your school’s theology department”.

Wording also needs to incorporate non-denominational schools who are Christian but do not identify with a particular church. While the “tradition” part of the phrase used in the survey, “sponsoring tradition/denomination” was meant to indicate the Christian tradition, this wording

could be replaced with phraseology that makes this more clear. Other questions in the survey need to take into account the non-denominational Christian schools.

**Sampling.** The concentration of schools as “critical mass” or “orthodox” indicates a possible need for a less homogenous sample, a scale with more variability, or both. Since the CCCU has requirements of its members that they have certain regulations, it may be helpful to broaden the sample by using the state membership lists of private schools, and determine which are Christian in affiliation. This might produce a broader range of variability in school type.

**Methodology.** Suggestions from email commentary of the respondents showed how to improve the methodology to enhance future research in this area. Several items can be added to the solicitation email that might head off some of the concerns expressed in the emails of participants. First, though the solicitation used addressed the anonymity and confidentiality of the participant, it could be stated in the solicitation email that the participant nor the school will be identified in the research results, that results will be produced only in aggregate, or that pseudonyms will be used where necessary. Also, the solicitation could address concerns about qualification. Several respondents noted they did not feel qualified to answer the questions. The solicitation could include verbiage that indicates that it is the faculty perception that is desired, thus validating their participation and response. To address concerns about the IRB process of different schools, as noted in some respondents’ emails, participation agreements could be sought for each school in the sample. However, due to the nature of the research, it is possible that administrators would not be in favor of faculty participating, thus making it more difficult to garner responses. Since faculty emails are publically available on the web and can be solicited for participation in that way, future researchers need to put forethought into how to handle the

issue of whether to gain administrative and IRB permission from each school as this caused some faculty members to feel the research was not ethical.

**Qualitative Studies.** Another area of study that could be spawned by this research is the identification of schools that have strong mission fidelity, but varying levels of financial health. Qualitative research or case studies could be done to determine what the lived experiences are of the faculty and administrators at different schools, what their situation is, and what their leadership may be doing that is different that causes their financial health to vary from schools of like mission fidelity.

### **Concluding Statement**

The results of this study inform Christian college administrators that seeking to improve a college's financial position by strengthening its spiritual mission may not produce the intended result. Given the lack of correlation between mission fidelity in financial health, administrators need to look to other possibilities for improved financial stability. Since no link was found, different areas of the college can make decisions armed with this knowledge, especially in the areas of denominational support, board membership, public rhetoric regarding mission, faculty and staff membership requirements, chapel requirements, course requirements, and conduct codes. In the milieu of challenges faced by Christian higher education in modern times, administrators can move forward knowing that changes in their handling of the school's spiritual mission may not be the place to begin a financial turnaround, and begin to look at other possibilities to improve their schools' fiscal futures for the road ahead.

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## Appendix A



### COLLEGE OF EDUCATION

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### DEPARTMENT OF LEADERSHIP, TECHNOLOGY, AND HUMAN DEVELOPMENT

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#### INFORMED CONSENT

Dear Participant:

My name is Farrah Senn, and I am a doctoral student in the Educational Leadership program at Georgia Southern University. I am conducting research for my dissertation regarding the relationship between mission and finance at Christian Colleges.

The purpose of this research is to determine if there is a relationship between the level of mission adherence and the financial health of a college.

Participation in this research will include completion of a web questionnaire including 24 questions.

There will be minimal discomfort or risk in completing this questionnaire.

The benefits to participants include being able to explore more fully your own institution's policies in this area of research.

The benefits to society include gaining insight on the relationship between a college's mission and its financial health.

The questionnaire should take about 10 minutes to complete.

The data collected from this questionnaire will be maintained on a password protected USB disk by the researcher for a minimum of 3 years. Participant names are not collected as part of the questionnaire. The information obtained will be published in the dissertation document by the researcher, shared with the dissertation committee, and then published electronically as a part of the requirements for the doctoral program. Your confidentiality as a participant in this study will remain secure. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions.

Participants have the right to ask questions and have those questions answered. If you have questions about this study, please contact the researcher named above or the researcher's faculty advisor, whose contact information is located at the end of the informed consent. For questions concerning your rights as a research participant, contact Georgia Southern University Office of Research Services and Sponsored Programs at 912-478-5465.

There is no compensation for completing this questionnaire.

You do not have to participate in this research; you may end your participation at any time by closing out or not returning to the questionnaire; you do not have to answer any questions you do not want to answer.

Penalty: There is no penalty for deciding not to participate in the study; you may decide at any time you do not want to participate further and may withdraw without penalty or retribution.

You must be 18 years of age or older to consent to participate in this research study. If you consent to participate in this research study and to the terms above, please continue on to the questionnaire.

You may print a copy of this consent form to keep for your records. This project has been reviewed and approved by the GSU Institutional Review Board under tracking number H\_\_\_\_\_.

Title of Project: Exploring the Relationship between Mission and Finance

Principal Investigator:

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By clicking "begin questionnaire", you consent to participate in this study.

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## Appendix B

### Solicitation Email

Dear Colleague:

I am a doctoral student in the Ed.D Higher Education Leadership Program at Georgia Southern University and am conducting research as a part of my dissertation regarding the relationship of mission and finance at Christian colleges. The questionnaire linked below will help me better understand that relationship.

Your contact information was obtained from your school's website, but your school has not officially given me approval to contact you and is not involved in this research. Participation in this survey is completely voluntary. The informed consent document is embedded here for your review.

If you wish to participate, follow the link below to take the web questionnaire. It should take less than 10 minutes of your time. Thank you in advance for considering participation in this research.

**Follow this link to the Survey:**

[\\${!://SurveyLink?d=Take the survey}](#)

Or copy and paste the URL below into your internet browser:

[\\${!://SurveyURL}](#)

Follow the link to opt out of future emails:

[\\${!://OptOutLink?d=Click here to unsubscribe}](#)

Farrah R. Senn  
1290 Old Savannah Road  
East Dublin, GA 31027  
fs00343@georgiaouthern.edu

### INFORMED CONSENT

Dear Participant:

My name is Farrah Senn, and I am a doctoral student in the Educational Leadership program at Georgia Southern University. I am conducting research for my dissertation regarding the relationship between mission and finance at Christian Colleges.

The purpose of this research is to determine if there is a relationship between the level of mission adherence and the financial health of a college.

Participation in this research will include completion of a web questionnaire including 18 questions.

There will be minimal discomfort or risk in completing this questionnaire.

The benefits to participants include being able to explore more fully your own institution's policies in this area of research.

The benefits to society include gaining insight on the relationship between a college's mission and its financial health.

The questionnaire should take about 10 minutes to complete. No password or code is required to complete the survey.

The data collected from this questionnaire will be maintained on a password protected USB disk by the researcher for a minimum of 3 years. Participant names are not collected as part of the questionnaire. The information obtained will be published in the dissertation document by the researcher, shared with the dissertation committee, and then published electronically as a part of the requirements for the doctoral program. Your confidentiality as a participant in this study will remain secure. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions.

Participants have the right to ask questions and have those questions answered. If you have questions about this study, please contact the researcher named above or the researcher's faculty advisor, whose contact information is located at the end of the informed consent. For questions concerning your rights as a research participant, contact Georgia Southern University Office of Research Services and Sponsored Programs at 912-478-5465.

There is no compensation for completing this questionnaire.

Participation in this survey is voluntary. You do not have to participate in this research; you may end your participation at any time by closing out or not returning to the questionnaire; you do not have to answer any questions you do not want to answer.

Penalty: There is no penalty for deciding not to participate in the study; you may decide at any time you do not want to participate further and may withdraw without penalty or retribution.

You must be 18 years of age or older to consent to participate in this research study. If you consent to participate in this research study and to the terms above, please continue on to the questionnaire.

You may print a copy of this consent form to keep for your records. This project has been reviewed and approved by the GSU Institutional Review Board under tracking number H16456.

Title of Project

Exploring the Relationship between Mission and Finance

Principal Investigator:

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**By clicking on the questionnaire link, you consent to participate in this study.**

## Appendix C

### Questionnaire Instrument

#### Email Survey - Mission and Finance Questionnaire

Q1 What is the name of your institution?

- Abilene Christian University (2)
- Anderson University - IN (3)
- Anderson University - SC (86)
- Arizona Christian University (87)
- Baylor University (88)
- Belhaven University (89)
- Bethel University (90)
- Bluefield College (9)
- Calvin College (91)
- Campbell University (92)
- Campbellsville University (93)
- Carson-Newman University (94)
- Central Christian College of Kansas (95)
- Colorado Christian University (96)
- Columbia International University (97)
- Concordia University Irvine (98)
- Dordt College (99)
- Eastern Nazarene College (100)
- Eastern University (101)
- Emmanuel College (102)
- Erskine College (103)
- Faulkner University (104)
- Franciscan University of Steubenville (105)
- Fresno Pacific University (106)
- Geneva College (107)
- George Fox University (108)
- Gordon College (109)
- Grace College & Seminary (110)
- Greenville College (111)
- Hannibal-LaGrange University (112)
- Harding University (113)
- Hardin-Simmons University (114)
- Hope International University (115)
- Houston Baptist University (116)

- John Brown University (117)
- Judson University (118)
- Kentucky Christian University (119)
- King University (120)
- Lee University (121)
- LeTourneau University (122)
- Life Pacific College (123)
- Louisiana College (124)
- Malone University (125)
- Messiah College (126)
- MidAmerica Nazarene University (127)
- Milligan College (128)
- Mount Vernon Nazarene University (129)
- Multnomah University (130)
- North Central University (131)
- Northwest Nazarene University (132)
- Northwestern College (133)
- Oklahoma Christian University (134)
- Olivet Nazarene University (135)
- Point Loma Nazarene University (136)
- Point University (137)
- Regent University (138)
- Roberts Wesleyan College (139)
- Samford University (140)
- Seattle Pacific University (141)
- Simpson University (142)
- Southeastern Baptist Theological Seminary (143)
- Southern Nazarene University (144)
- Southern Wesleyan University (145)
- Southwest Baptist University (146)
- Southwestern Assemblies of God University (147)
- Taylor University (148)
- The King's College (149)
- Trevecca Nazarene University (150)
- Trinity Christian College (151)
- Trinity International University (152)
- University of Mary Hardin-Baylor (153)
- University of Mobile (154)
- University of Sioux Falls (155)
- University of the Southwest (156)

- Walla Walla University (157)
- Warner Pacific College (158)
- Warner University (159)
- Waynesburg University (160)
- Westmont College (161)
- Wheaton College (162)
- Whitworth University (163)
- William Jessup University (164)
- Williams Baptist College (165)
- Wisconsin Lutheran College (166)
- York College (167)

Q2 Are you currently a faculty member in a non-administrative role at this institution?

- Yes (1)
- No (2)
- I am both an administrator and a professor (3)

Q3 INDICATE THE ONE OPTION WHICH BEST DESCRIBES YOUR SCHOOL FOR EACH OF THE FOLLOWING AREAS:

Q4 Public Relevance: How important is the spiritual mission of your school in the school's public image and communications, both internally to students, staff, and faculty and externally to alumni and the community?

- The school's spiritual mission is interwoven into all areas of the school. (4)
- The school's spiritual mission is evident in most areas of the school, but a secular orientation is noticeable in some areas. (3)
- The school's spiritual mission does not dominate any area of the school, but is not completely invisible. (2)
- The school's spiritual mission surfaces "accidentally" at times and is not discouraged, but it is not purposefully promoted. (1)

Q5 Public Rhetoric: What relevance is given to the school's spiritual mission in its mission statement?

- The school's mission statement is short and straight-forward and emphasizes its spiritual mission. (4)
- The school's mission statement is complex and includes its spiritual mission, but does not emphasize it. (3)
- The school's mission statement claims "grounding in Christian heritage," but otherwise does not refer to its spiritual mission. (2)
- The school's mission statement does not include its spiritual mission. (1)

Q6 Membership Requirements: What emphasis does your school place on its spiritual mission when recruiting/hiring faculty and administrative personnel? (This information can often be found on your school's website under "human resources")

- Faculty and administration are expected to be from sponsoring religious tradition/denomination. (4)
- Faculty and staff are actively recruited from the sponsoring religious tradition/denomination, but faculty from other denominations or with no religious affiliation are accepted. (3)
- Faculty and staff from other religious traditions/denominations or with no religious affiliation are intentionally recruited/hired. (2)
- No effort is made to recruit faculty and staff of the sponsoring religious tradition/denomination. (1)

Q7 Membership Requirements: What emphasis does your school place on its spiritual mission when recruiting students? (This information can often be found on your school's website under "student life" or "Christian life")

- Students are expected to be from sponsoring religious tradition/denomination. (4)
- Students are actively recruited from the sponsoring religious tradition/denomination, but students from other denominations or with no religious affiliation are accepted. (3)
- Students from other religious traditions/denominations or with no religious affiliation are intentionally recruited/hired. (2)
- No effort is made to recruit students of the sponsoring religious tradition/denomination. (1)

Q8 Religion/Theology Department: What size is your school's theology department and what are the requirements of its faculty? (This information may be found on your school's theology/religious studies department web page)

- The Theology Department is larger in comparison to other departments, held in high regard in college decision-making, theology is emphasized, and the faculty is required to be of sponsoring religious tradition/denomination. (4)
- The Theology Department is larger in comparison to other departments and held in high regard in college decision-making, but some theology faculty are from other religious traditions/denominations or no denomination. (3)
- The Theology Department is small in comparison to other departments and includes some theology but is mostly “religious studies,” and there is no denominational requirement. (2)
- There is a small Religious Studies department, it is exclusively religious studies and not theology, and there may not be any faculty from the sponsoring religious tradition/denomination. (1)

Q9 Religion/Theology Required Courses: What religion/theology courses are students required to take? (This information can often be found in the course catalog listed under the core curriculum requirements)

- Students are required to take more than three religion and theology courses. (4)
- Students are required to take two to three courses in theology, with a number of choices. (3)
- Students are required to take at least one course in religion or philosophy. (2)
- Religious courses are not required but are offered as electives. (1)

Q10 Chapel Requirements: What are the chapel requirements of your school? (This information is often found under "student life" or "Christian life" on your school's website)

- Chapel attendance is required and time is set aside for chapel; no other campus activities are held during this time. (4)
- Chapel attendance is not required, but time is set aside; no other campus activities are held during this time. (3)
- Chapel attendance is not required and time is not set aside; other campus activities may be held during this time. (2)
- Chapel is only held on special occasions and is inclusive of many religious traditions/denominations. (1)

Q11 Ethos: How overt is the spiritual mission of the school in the overall atmosphere of the school?

- The traditions, conventions, and moral teachings of the sponsoring religious tradition/denomination are overt in the overall atmosphere of the school. (4)
- The traditions, conventions, and moral teachings of the sponsoring religious tradition/denomination dominate the school's atmosphere, but is more important in social contexts rather than personal morality. (3)
- The overall atmosphere is secular, but there is/are small but active groups who follow the traditions, conventions, and moral teachings of the sponsoring religious tradition/denomination. (2)
- The overall atmosphere is secular, with little to no evidence of the traditions, conventions, and moral teachings of the sponsoring religious tradition/denomination. (1)



Q12 Church Support: How important is the support of the sponsoring religious tradition/denomination in finance and student recruitment? (If unknown, this information may be asked of the school's finance officer and recruitment/admissions staff)

- The school is dependent on sponsoring religious tradition/denomination for financial support and student recruitment. (4)
- The school is dependent on financial support of the sponsoring religious tradition/denomination, and at least 50 percent of the students are recruited from the sponsoring religious tradition/denomination. (3)
- The school receives minimal direct financial support from the sponsoring religious tradition/denomination, and only a small minority of students are recruited from the sponsoring religious tradition/denomination. (2)
- The school receives only indirect financial support from members of sponsoring religious tradition/denomination and students' religious affiliation is not tracked. (1)

Q13 Governance: Are board members required to be of the sponsoring religious tradition/denomination? (This information may be found in the bi-laws of the Board of Trustees or asked of the executive staff members who work with the board)

- Board members are all members of the sponsoring religious tradition/denomination. (4)
- The majority of board members are members of the sponsoring religious tradition/denomination. (3)
- A minority of the board is of the sponsoring religious tradition/denomination. (2)
- The board has only a token representative from the sponsoring religious tradition/denomination, and the representative holds little power. (1)

Q14 On which of the following does your college seem to focus more attention?

- The financial condition of the school (1)
- Marketing and branding; the perceptions and choices of external audiences (2)
- Expanding/enhancing/redefining academic programs, school culture and community. (3)

Q15 What style of leadership best describes your president?

- Autocratic: he or she uses policy and protocol to address issues. (1)
- Problem-solving: he or she addresses issues by developing fitting and often creative solutions. (2)
- Collaborative: he or she works with others to address issues (3)

Q16 How would you describe the current status of academic programs on your campus?

- The school is downsizing and eliminating programs (1)
- The school is developing and marketing some new programs. (2)
- The school is implementing new concepts of teaching and learning. (3)

Q17 Which of the following stages of transformation best describes your school currently?

\_\_\_\_\_ Slide this bar to the stage of transformation that best describes your school (1)

Q18 Would you participate in a re-test of this same survey to help establish the reliability of the survey? If so, please enter your e-mail here.

## Appendix D

Research Question	Survey Item	
<b>Research Question #1:</b> "What is the relationship between mission fidelity and financial health at Christian higher education institutions?"	4. Public Relevance: How important is the spiritual mission of your school in the school's public image and communications, both internally to students, staff, and faculty, and externally to alumni and the community?	
	5. Public Rhetoric: What relevance is given to the school's spiritual mission in its mission statement?	
	6. Membership Requirements: What emphasis does your school place on its spiritual mission when recruiting/hiring faculty and administrative personnel?	
	7. Membership Requirements: What emphasis does your school place on its spiritual mission when recruiting students?	
	8. Religion/ theology Department: What size is your school's theology department and what are the requirements of its faculty?	
	9. Religion/ theology Required Courses: What religion/theology courses are students required to take?	
	10. Chapel Requirements: What are the chapel requirements of your school?	
	11. Ethos: How overt is the spiritual mission of the school in the overall atmosphere of the school?	
	12. Church Support: How important is the support of the sponsoring religious tradition/denomination in finance and student recruitment?	
	13. Governance: Are board members required to be of the sponsoring religious tradition/denomination?	
	<b>Research Question #2:</b> "What is the level of correlation between mission fidelity and financial health based on a college's phase in the turnaround cycle?"	14. On which of the following does your college seem to focus more attention?
		15. What style of leadership best describes your president?
		16. How would you describe current status of academic programs on your campus?
<b>Research Question #3:</b> "What is the level of correlation between mission fidelity and financial health based on a college's stage in the transformation cycle?"	17. Which of the following stages of transformation best describes your school currently? [slide bar with transformation stages listed chronologically horizontally]	

## Appendix E

### Benne's Typology Measure Responses and Corresponding Values

Item	Question	Response			
		4	3	2	1
SQ4	Public Relevance: How important is the spiritual mission of your school in the school's public image and communications, both internally to students, staff, and faculty, and externally to alumni and the community?	The school's spiritual mission is interwoven into all areas of the school.	The school's spiritual mission is evident in most areas of the school, but a secular orientation is noticeable in some areas.	The school's spiritual mission does not dominate any area of the school, but is not completely invisible.	The school's spiritual mission surfaces "accidentally" at times and is not discouraged, but it is not purposefully promoted.
SQ5	Public Rhetoric: What relevance is given to the school's spiritual mission in its mission statement?	The school's mission statement is short and straightforward and emphasizes its spiritual mission.	The school's mission statement is complex and includes its spiritual mission, but does not emphasize it.	The school's mission statement claims "grounding in Christian heritage," <sup>1</sup> but otherwise does not refer to its spiritual mission.	The school's mission statement does not include its spiritual mission.
SQ6	Membership Requirements: What emphasis does your school place on its spiritual mission when recruiting/hiring faculty and administrative personnel?	Faculty and administration are expected to be from sponsoring religious tradition/denomination.	Faculty and staff are actively recruited from the sponsoring religious tradition/denomination, but faculty from other denominations or with no religious affiliation are accepted.	Faculty and staff from other religious traditions/denominations or with no religious affiliation are intentionally recruited/hired.	No effort is made to recruit faculty and staff of the sponsoring religious tradition/denomination.
SQ7	Membership Requirements: What emphasis does your school place on its spiritual mission when recruiting students?	Students are expected to be from sponsoring religious tradition/denomination.	Students are actively recruited from the sponsoring religious tradition/denomination, but students from other denominations or with no religious affiliation are accepted.	Students from other religious traditions/denominations or with no religious affiliation are intentionally recruited/hired.	No effort is made to recruit students of the sponsoring religious tradition/denomination.
SQ8	Religion/ theology Department: What size is your school's theology department and what are the requirements of its faculty?	The Theology Department is larger in comparison to other departments, held in high regard in college decision-making, theology is emphasized, and	The Theology Department is larger in comparison to other departments and held in high regard in college decision-making, but some theology faculty	The Theology Department is small in comparison to other departments and includes some theology but is mostly "religious studies," <sup>1</sup> and there is no	There is a small Religious Studies department, it is exclusively religious studies and not theology, and there may not be any faculty from the sponsoring

		the faculty is required to be of sponsoring religious tradition/denomination.	are from other religious traditions/denominations or no denomination.	denominational requirement.	religious tradition/denomination
<b>SQ9</b>	Religion/ theology Required Courses: What religion/theology courses are students required to take?	Students are required to take more than three religion and theology courses.	Students are required to take two to three courses in theology, with a number of choices.	Students are required to take at least one course in religion or philosophy.	Religious courses are not required but are offered as electives.
<b>SQ10</b>	Chapel Requirements: What are the chapel requirements of your school?	Chapel attendance is required and time is set aside for chapel; no other campus activities are held during this time.	Chapel attendance is not required, but time is set aside; no other campus activities are held during this time.	Chapel attendance is not required and time is not set aside; other campus activities may be held during this time.	Chapel is only held on special occasions and is inclusive of many religious traditions/denominations.
<b>SQ11</b>	Ethos: How overt is the spiritual mission of the school in the overall atmosphere of the school?	The traditions, conventions, and moral teachings of the sponsoring religious tradition/denomination are overt in the overall atmosphere of the school.	The traditions, conventions, and moral teachings of the sponsoring religious tradition/denomination dominate the school's atmosphere, but is more important in social contexts rather than personal morality.	The overall atmosphere is secular, but there is/are small but active groups who follow the traditions, conventions, and moral teachings of the sponsoring religious tradition/denomination.	The overall atmosphere is secular, with little to no evidence of the traditions, conventions, and moral teachings of the sponsoring religious tradition/denomination
<b>SQ12</b>	Church Support: How important is the support of the sponsoring religious tradition/denomination in finance and student recruitment?	The school is dependent on sponsoring religious tradition/denomination for financial support and student recruitment.	The school is dependent on financial support of the sponsoring religious tradition/denomination, and at least 50 percent of the students are recruited from the sponsoring religious tradition/denomination.	The school receives minimal direct financial support from the sponsoring religious tradition/denomination, and only a small minority of students are recruited from the sponsoring religious tradition/denomination.	The school receives only indirect financial support from members of sponsoring religious tradition/denomination and students' religious affiliation is not tracked.
<b>SQ13</b>	Governance: Are board members required to be of the sponsoring religious tradition/denomination?	Board members are all members of the sponsoring religious tradition/denomination.	The majority of board members are members of the sponsoring religious tradition/denomination.	A minority of the board is of the sponsoring religious tradition/denomination.	The board has only a token representative from the sponsoring religious tradition/denomination, and the representative holds little power.

## Appendix F

### MacTaggart's Stages of the Turnaround Cycle Measure

#### Responses and Corresponding Values

Item	Question	Response		
		1	2	3
SQ14	On which of the following does your college seem to focus more attention?	The financial condition of the school	Marketing and branding; the perceptions and choices of external audiences	Expanding/enhancing/redefining academic programs, school culture and community.
SQ15	What style of leadership best describes your president?	Autocratic: he or she uses policy and protocol to address issues.	Problem-solving: he or she addresses issues by developing fitting and often creative solutions.	Collaborative: he or she works with others to address issues
SQ16	How would you describe the current status of academic programs on your campus?	The school is downsizing and eliminating programs	The school is developing and marketing some new programs.	The school is implementing new concepts of teaching and learning.