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The Management of a Turnaround after an Ethical Breach in a Public Institution of Higher Education

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Abstract

The field of management has built a wealth of literature on turnaround management as well as the effect unethical actions have upon organizations. However, there has been less study on the application of these topics to turnarounds specifically in small, regional, public institutions of higher education. It is important that an institution of higher education that has been affected by an ethical failure execute a turnaround to restore trust and faith in the organization, internally and externally.

A small, regional, public institution of higher education in the upper Midwest recently encountered a series of organizational difficulties that negatively influenced its reputation. An organizational course change was necessary. The research titled "The Management of a Turnaround after an Ethical Breech in a Public Institution of Higher Education" applies the differing, yet related, theories of turnaround management and the restoration of trust to a small, public institution of higher education. The research investigated whether or not the university employees (faculty, staff, and administrators) believed that the organization and its leadership had demonstrated a process/path illustrative of a turnaround. Ultimately, the research investigated the theory that institutions of higher education can be restored through an ethical turnaround (Hofer, 1980; Patnaik & Sahoo, 2010; Puffer & McCarthy, 2008).

Keywords: ethics, higher education, trust, turnaround, university

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Chapter 1: Introduction

Background and Overview

Publius Syrus, a former slave from the 1st century BC, penned the poignant statement asking "what is left when honor is lost?" (as cited in Lyman, 1856, p. 31). Providing that "he who has forfeited his honor can lose nothing more" (as cited in Lyman, 1856, p. 31), Syrus commented upon the fact that honor, integrity, and ethics are all vital elements of character. Once honor and integrity have been tarnished, it is extraordinarily difficult to rebuild trust, faith, or belief in an individual or an organization. As human beings inevitably make mistakes that negatively influence the organizations in which they operate, it is imperative that the management profession study how to correct these faults and blunders in organizations. To rescue an institution from its member's failings, managers and leaders must effectively "steer" or "turn" an organization in a different direction.

Practitioners in management can partner with the Academy to understand the most successful techniques and strategies to turn an organization around with ethics and integrity while restoring the broken trust and faith of its stakeholders. Academics have the opportunity to assess the progress of organizations to change their future and restore themselves after their failings while practitioners can put the research into action. Though the relationship between management and academics is often challenging and fraught with trust issues, this research provides the opportunity for practitioners and academics to work together to study an intentional turnaround in an organization that was shattered by an ethical breach with a dramatically diminished customer base, a loss of trust and faith by the wider community, and in danger of losing its permission to operate and issue degrees as an educational institution.

Statement of Research Problem

Organizations and individuals have the potential to create an environment with "the presence of chaos, change, poor management, and bullying in an organization" (Boddy, 2011, p. 376) that is difficult for its employees and stakeholders. Whether the leader has committed an ethical infraction or simply made a poor decision, perhaps even a series of poor decisions, the organization may lose its credibility with its stakeholders, even its legitimacy as an upright entity possessed of integrity, and the public faith (Puffer & McCarthy, 2008). Organizations that violate social, moral, or legal codes; commit fraud of any sort; engage in asset misappropriation, pollution, or environmental damage; discriminate against individuals; breach contracts, or leave obligations unfulfilled must correct their actions as quickly and honestly as possible to restore the faith and trust of the employees, customers, and other stakeholders (Puffer & McCarthy, 2008). Without correction, organizations run the risk of losing customers, employees, and financial support. Because organizational strife and chaos from individuals or the environment can significantly impact productivity, engagement, and workplace success, the entity's efficiency, output, and service to customers will ultimately suffer (Boddy, 2011;

“Remember Employee Engagement,” 2009). Employees that are constantly pressured by chaos and a tumultuous work environment with constant change, upheaval, and discord cannot perform at sufficient levels, negatively impacting output (Boddy, 2011; “Remember Employee Engagement,” 2009).

Hofer’s (1980) focus on turnaround management supports the perspective that managers and leaders can correct an organization’s direction from its past mistakes through a change in the organization’s patterns of behavior and a transformation of perspectives. Entities such as Adelphia Communications, Enron, Global Crossing, Tyco, Siemens International, Waste Management Systems, WorldCom, and others have all committed a number of serious ethical infractions resulting in billions upon billions of dollars lost, livelihoods destroyed, and markets corrupted. However, only those organizations that changed their behavior and ethical focus were able to save their operations. Hofer (1980) stated, “no matter what the state of the economy, no company is immune from internal hard times” (p. 19) whether stagnation of operations, declining performance, financial difficulties, economic change, or ethical infractions. For any organization, a turnaround is necessary to redirect the entity in a more positive, upright, and focused direction.

The field of management, specifically in strategy, has built a wealth of literature on turnaround management, as well as the effect unethical actions have upon organizations. Corporations and for-profit entities have already utilized many of these turnaround tactics to effect change, and anecdotal examples of turnaround management strategies have been documented in governmental organizations (Beeri, 2012). In addition, the label of turnaround has been used to describe improvement in student performance in public school systems as part of a comprehensive plan to reform education (Department of Education, 2012). However, there has been little to no study of the application of these topics to turnarounds after an ethical breach specifically in small, regional, public institutions of higher education. It is important that an institution of higher education affected by an ethical failure execute a turnaround to restore trust and faith in the organization, both internally and externally.

A small, regional, public institution of higher education in the upper Midwest recently encountered a series of organizational difficulties that negatively influenced its reputation. An audit of its special, short-term international programs determined that the majority of special programs failed traditional degree standards (The Associated Press, 2012; Donovan, 2012a; Donovan, 2012b). Specifically, the students that participated in the university's short-term international programs often lacked legitimate, verified transcripts, language proficiency scores, general education requirements, and university degree requirements (Redden, 2012). Auditors determined that of the 594 degrees awarded, 10 were actually earned according to university standards (Redden, 2012). The 2011-2012 academic year included the termination of the former president for enrollment inflation (and subsequent lawsuit of the former president for wrongful termination), a compliance and policy audit (improper degrees, human resources, and internal controls), and a financial audit that revealed additional ethical and procedural problems in the university (Finneman, 2012).

The university and some of its employees took a series of actions and made decisions that negatively influenced the organization's reputation and the value of its degrees. The entity and its members were accused of enrollment inflation/fraud, improper awarding of degrees without documentation, misuse of public funds, and inappropriate scholarship allocations. Because of these actions, the university's reputation was negatively impacted, employee turnover increased, student enrollment decreased, donations and revenue diminished, and the former dean took his own life. An organizational course change was necessary.

Redden (2012) provided that this case was "a cautionary tale" (para. 8). The director of the American Association of Collegiate Registrars and Admission Officers' International Education Services, Dale Gough, agreed that this example was "not a singular case" (Redden, 2012, para. 8). As institutions of higher education pursue revenues from international students, illegitimate records, falsified documents, and overseas agents that do not adhere to strict university standards become more prevalent (Redden, 2012). Though this example was one case at a single institution of ignoring proper standards of operation in favor of revenues, anecdotal evidence of fraud and problems in university programs are more widespread (Kelley & Chang, 2007; Lieb, 1998; Redden, 2012; Wright & Jefferson, 1998). The research titled "The Management of a Turnaround after an Ethical Breach in a Public Institution of Higher Education" applies the theory of turnaround management to a small, public institution of higher education. In addition, the research investigates the theory that institutions of higher education can be restored through an ethical turnaround (Hofer, 1980; Patnaik & Sahoo, 2010; Puffer & McCarthy, 2008). As fraud, problems, or simply failures in higher education leadership and operations are not confined to this single example, all institutions of higher education should take notice of this research to make organizational course corrections after a breakdown. While the specifics of the case that created the need for an organizational turnaround are unique to this university, the concepts of a turnaround are not.

Research Question and Hypotheses

Did current university faculty, staff, and administrative members perceive that the organizational entity and its leadership have demonstrated a process/path illustrative of a turnaround as measured by responses to Beeri's (2009) *Turnaround Management Strategies in Local Authorities*

- *H1*. A positive correlation existed between a perception of turnaround in reorganization activities and all faculty, staff, and administrative employees.
- *H2*. A positive correlation existed between a perception of stronger financial controls and faculty, staff, and administrative employees.
- *H3*. A positive correlation existed between a perception of extending new marketing efforts to new consumers and faculty, staff, and administrative employees.
- *H4*. A positive correlation existed between a perception of improving the local authority's internal and external image and all faculty, staff, and administrative employees.
- *H5*. There was a moderate correlation between a perception of rebuilding stakeholder trust in the local authority and those employees considered mostly staff or mostly faculty.

- *H6*. There was a moderate correlation between a perception of reshaping and improving the organizational culture and climate and faculty and staff employees.
- *H7*. There was a positive correlation between a perception of rebuilding stakeholders trust in the local authority and the level of participation in extracurricular activities on campus.
- *H8*. There was a positive correlation between a perception of rebuilding stakeholders trust in the local authority and the number of hours per week employees spend on campus executing their specific job duties.
- *H9*. There was a positive correlation between a perception of redefining the core mission and all faculty, staff, and administrative employees.
- *H10*. There was a positive correlation between defining a common vision of the local authority and the levels of management.

Definition of Terms and Constructs

The essence of a *turnaround* was defined by Pandit (2000) as merely “the recovery of a firm’s economic performance following an existence-threatening decline” (p. 32). This is true regardless of whether the organizational decline occurred over a short or long period of time, or if the decline occurred very quickly because of an event or series of events that placed an entity in jeopardy (Pandit, 2000). A turnaround can also be thought of as a reversal in the direction or course of an activity or action, transforming or altering the entity, its allegiances, policies, roles, or trends (Hofer, 1980). Paul (2005) viewed a turnaround as "the reversal of performance from decline and failure to recovery and success" (p. 123). A turnaround is a recovery, often couched in financial terms such as net income, return on investment, return on assets, or other accounting ratios, performance improvement, or sustained positive performance (Pandit, 2000; Schendel & Patton, 1975, 1976, 1978; Schendel, Patton, & Riggs, 1974, 1976).

As these standards are mostly financial metrics, Beeri (2009), following the work of Boyne (2004; 2006), commented upon the need to measure turnaround through retrenchment, repositioning, and reorganization as entities outside of the for-profit sector may not be able to quantify turnaround or change merely in accounting terms. Beeri (2009) defined retrenchment as "reduction in the scope or size of the organization aimed at releasing resources from unproductive sections that can be reinvested in more productive ones" (p. 131) in terms of efficiency and stability. The category of repositioning as addressed by Beeri (2009) specifically focuses upon effectiveness, growth, innovation, and redefining the mission, vision, and goals of the entity to current or new customers. In addition, "any internal organizational change, including changes within leadership personnel" (Beeri, 2009, p. 132) is considered reorganization, and works in conjunction with strategies to retrench or reposition to turn the organization in a new direction.

Public institution of higher education was defined and delimited in this case to a small, regional, public institution of higher education that provides degrees in various fields and is funded via public monies. The educational institution was classified as an entity that was created and operated with the intent of fulfilling an educational purpose or need in society that is exempt from federal income tax to benefit its stakeholders or society as a whole (Tolbert, Moore, & Wood, 2010). Because the population of the study was a single small, regional, public institution of higher education, *stakeholders* are usually defined as employees (faculty, staff, administrators, and management), students, and the public. The *public* included the community external to the institution of higher education in which the institution resides and included the business community, town, and surrounding area that work with the institution. However, this research was limited to those employed by the university as a current faculty (annual contract, tenure-track, or tenured), staff, manager, or administrative member.

Assumptions, Delimitations, and Limitations

As this research was undertaken in a single small, regional, public university, the researcher made the initial assumption that the respondents would understand the questions asked, as well as provide honest and accurate responses. While this research was strictly anonymous, the researcher also assumes that respondents believed that it was anonymous and would answer questions truthfully, valuing the intent and its purpose.

The first delimitation of this research was the intentional narrowing of the scope of the population to those currently employed at the single university. As these issues were unique to the organization at a specific time, the setting and time of the study were narrowly focused in both categories. While the researcher worked to gather as much data as possible through publicized documentation and survey results, the final outcome of the organization's turnaround will likely take a number of years beyond the study to complete. Therefore, this study was a snapshot of a moment in time at the institution.

The limitations of this study included general weaknesses in the survey methodology. Though the researcher has taken care to use established instruments that are found to be reliable and valid, findings may not be generalizable outside of the chosen population. As the surveys were substantial in nature, requiring approximately 15-30 minutes to complete, there is a risk of survey fatigue. To mitigate this risk and encourage the most important questions on the instruments were answered, the demographic questions were placed after the major instrument. Low response rates and incomplete responses are also inherent weaknesses of the survey methodology. The researcher attempted to mitigate this limitation by garnering public support from the organization's Office of Academic Affairs to encourage participation (see "Procedure" below).

Another limitation of this research is the fact that participants were those individuals currently employed at the university, likely skewing the research data. As a number of individuals left the university between the time of the ethical breach and the time of this research, the responses were skewed as to the opinions and perceptions of those currently employed. Because of the nature of the major research question, asking whether *current* faculty, staff, and members of administration (who may or may not be considered "managers") perceived that the entity and leadership had demonstrated a process/path illustrative of a turnaround, this research did not investigate the perspectives of those individuals that left the organization. Therefore, this issue certainly limits the responses to individuals that may be location-bound, could not find an alternative position elsewhere, or those that might be especially dedicated to improving the organization. In addition, members of the university that have arrived since the breach may not view the turnaround in the same light as those employees that have been at the institution for a longer period, however, due to the potential ethical risks involved, employment length at the university was not investigated.

The potential ethical risk of discomfort to the respondents also existed. To mitigate, the researcher received approvals from both the George Fox University and organizational Institutional Research Boards. In addition, because the issues at the entity were so personal and poignant to the respondents, there was the potential for both discomfort and inconvenience to the respondents. The survey instrument was designed to look at the improvements at the university, but could have brought up unpleasant memories of the university's downturn as well as created feelings of organizational pressure, biasing the responses. Because the past issues may have resulted in feelings of uncertainty about the future, it was necessary to protect respondents' identities and confidentiality. The respondents were also given an 'out' if they do not want to complete the survey, protecting the respondents. In addition, certain questions such as "when did you start working for the university," "are you tenured," and various other potentially identifiable demographic questions were not asked as they were prohibited by the organization's Institutional Research Board (A. Stark, personal communication).

In addition, there existed an inherent risk of researcher bias as the researcher is employed at the organization under study (see Role of the Researcher below). Because of the imperative need to mitigate and guard against researcher bias, the researcher chose to engage in a quantitative study with established instruments. The identities and positions of all respondents were obscured to all users, including the primary researcher, and the data was provided in a statistical/numerical form. There were no personal connections or assessments with the respondents. In addition, all results were assessed and vetted by the Chair of the researcher's dissertation committee, the committee, and an external reviewer.

Given that the study focused on a single population, bounded by unique experiences, generalization may not be appropriate. Instead, it is up to the reader of the research to determine how much or which elements of this study are generalizable to other situations. The specific market and issues were unique to the organization at that point in time, though the potential exists for other universities and colleges in the future to find themselves in similar situations. While the existing research substantiates and supports the theories of ethical turnarounds and organizational course change, the concepts may not be applicable to all institutions of higher education. Therefore, the results may not be replicable in other cases or to the populations of other educational institutions.

Significance of the Study

The intention of this study is to add to the body of knowledge regarding turnaround management as applied to public institutions of higher education after an organizational difficulty or ethical breach. While Hofer (1980) and a number of others focused upon turnaround management and its various strategies and tactics in the corporate setting, Beeri's (2009) research focused on the same strategies in local governments. Because there had been comparatively little research on these concepts in higher education, this study serves the academy to broaden the application of the areas of research to small, regional, public institutions of higher education. However, with a more specific application, this research assessed whether this particular small, regional, public institution had effectively started a process or path of turnaround based on the perspectives of its faculty, staff, and administration, providing helpful data to the organization's management and leadership (practitioners) to execute necessary course corrections to improve the university's progress.

By adding to the body of knowledge through exploring and understanding ethical turnarounds in higher education, the main literature that remains fixed in the corporate world can be applied to the different area of higher education. The research may help educational leaders by demonstrating one example of how ethical turnarounds can be applied in colleges and universities. By informing other colleges and universities about options to turn an organization around, other institutions can be helped by demonstrating how to change and revitalize their potential. Because of the issues surrounding the population under study, the research has the potential to positively influence policies of other institutions of higher education before they engage in the same behaviors or how to execute a turnaround after an ethical breach. The study provided ongoing information and data over time to develop an understanding of how institutions of higher education can execute an ethical turnabout.

Researcher's Perspective

The role of the researcher was a challenging element of this research, creating strategic, ethical, and personal issues. It is important to note that the researcher in this study was not only involved in the research, but was employed by the organization during the research. As an Assistant Professor of Accounting at the organization, the researcher began her employment with the organization in the fall of 2009, two academic years prior to the 2011-2012 academic year when many of the issues came to light. The researcher was reasonably acquainted with the issues that inspired the organizational change; however, the challenge was to mitigate researcher bias (see "Instrument Reliability and Validity" and "Limitations and Delimitations" below).

Chapter 2: Literature Review

Turnaround Management

Managers and leaders have the capacity to create an environment with "the presence of chaos, change, poor management, and bullying in an organization" (Boddy, 2011, p. 376) that is detrimental to its employees and stakeholders. History, society, and the business world have all learned the hard lesson that "there are unethical and even toxic [individuals] who exploit the loopholes in management systems and seek to fulfill their personal desires at the expense of their organizations and its employees" (Toor & Ofori, 2009, p. 533). These unethical and destructive individuals have been guilty of fraud, theft, questionable earnings management choices and manipulations, creating deceptive financial statements and publications, and eroding trust from those very organizations they serve. The unethical actions from improper leaders damage all parties related to the organization, especially employees and stakeholders.

Whether this detriment is in the form of poor financial returns, unethical behaviors, lackluster performance, or general organizational malaise, a substantial alteration in culture and operations is usually necessary. Whether the leader has committed an ethical infraction or simply made a poor decision, the organization has lost its credibility with its stakeholders and employees, its legitimacy as an upright entity with integrity, and the public faith (Puffer & McCarthy, 2008). Organizations that are discovered violating social, moral, or legal codes; committing accounting or financial fraud; engaging in asset misappropriation, pollution, or environmental damage; discriminating against individuals; or breaching contracts and leaving obligations unfulfilled, must correct their actions as quickly and honestly as possible to restore the faith of the employees, customers, and other stakeholders (Puffer & McCarthy, 2008). Hofer (1980) stated, “no matter what the state of the economy, no company is immune from internal hard times” (p. 19) whether from stagnation of operations, declining performance, financial difficulties, economic change, or ethical infractions. Therefore, a turnaround is often necessary to redirect the entity in a more positive, upright, and sustainable direction.

Historical development of turnaround management.

Every industry and organization faces trials and difficulties while operating in a complex environment, inevitably shifting and adapting. Organizations, governments, businesses, and institutions have all made drastic changes in their intended direction for various reasons. This behavior of making drastic changes to save an entity was not codified or studied in management theory until the relatively recent past. Considered an element of strategic management, the concepts of managing an organizational turnaround have actually been a part of organizational and individual thinking far longer, both in business and government.

An ancient example of turnaround management occurred when Pharaoh hired Joseph to manage Egypt, effectively changing leadership (Genesis 41-43, English Standard Version). This appointment turned Egypt’s focus from the short to the long-term to strategically managing food resources for an extended famine (Genesis 41-43, ESV). A more contemporary individual's turnaround that had an immense impact was that of Thomas Jefferson. President Jefferson was a staunch Anti-Federalist that initially supported very limited federal government and stronger states' rights (Jefferson, 1751). However, Jefferson completed a major philosophical turnaround that violated his own beliefs to complete the Louisiana Purchase, altering the future of the young United States of America (Jefferson, 1802). In recent years, the Roman Catholic Church has been undergoing its own organizational turnaround. After decades of hiding sexual abuse and crimes committed against children by members of the clergy, the Church executed a turnaround with the *Charter for the Protection of Children and Young People* that publicly promised to investigate any allegations against priests or deacons (USCCB, 2002/2011). If the accused is found guilty through an institutional investigation, the offending priest is removed from active ministry and instructed to comply with relevant civil and state law (USCCB, 2002/2011).

While governments, leaders, and organizations have all utilized the general concepts of turnarounds in the recent and distant past, the fields of business and management have incorporated turnaround management as an important element of strategic management in its repertoire (Hofer, 1980). A number of examples of turnarounds exist in management theory such as General Motors (GM) bringing in Alfred Sloan to turnaround GM, Lee Iacocca leaving Ford to help change Chrysler, and DuPont expanding and reformatting its business strategy and mission to become one of the most important businesses in American industry (Castrogiovanni, Baliga, & Kidwell, 1992; Schendel & Patton, 1976). No matter the rationale behind the turnaround, Hofer (1980) provided that if the organization is to be saved when performance has declined, there is "almost always a major effort to 'turn the company around'" (p. 20).

The concepts of changing direction to improve profits and efficiency have always been elements of individual and organizational thinking, but there were a number of circumstances that spurred its development to become a formalized element of strategic management. Turnaround management was born out of a business climate of corporate stagnation and declining performance beginning in the 1970s (Schendel & Patton, 1976). The 1970s were a complicated and difficult time for American industry. The economy was plagued by stagflation, massive competition from international manufacturing imports, an Organization of Petroleum Exporting Countries (OPEC) oil embargo, stock market disruption, permanent departure from the gold standard, high interest rates, and general economic malaise (Magdoff & Sweezy, 1977). The American economic giant that had powered the world since the end of World War II faced significant competition that was beginning to outpace America with improved quality and quantity (Magdoff & Sweezy, 1977). An unfavorable balance of trade coupled with the devaluing of the United States dollar and heavy growth of large-scale banking with large debt loads created an economic climate that could not continue to rely on previous business success (Magdoff & Sweezy, 1977; Wren & Bedeian, 2009). Deming (1985) summed up the problems of American industry as a "lack of constancy of purpose" (p. 7) to plan, a focus on short-term profits instead of long-term success, improper evaluation of individual employees, managers moving from job to job, a focus on concrete figures without regard to unknowns, high medical costs, and high costs of litigation and liability.

The culmination of these factors and the struggles and decline of the American economy after the post-World War II boom left American businesses and industry, especially manufacturing, besieged and stagnated. The time was ripe for turnaround management. Profits were down, American industry was inefficient and overburdened, and consumers were no longer content to purchase simply what American manufacturers provided. To save American industry, "diversification and divestment, acquisition, management reorganization, financial reorganization, vertical integration, and other strategies, and combinations of these" (Schendel, Patton, & Riggs, 1974, p. 4) became tools of organizational turnarounds. Over time, the academy linked these tools of organizational turnarounds to various industries across the corporate world, government, and higher education.

A number of individuals have studied and embraced turnaround management; however, Dan E. Schendel (leading Richard Patton and James Riggs) and Charles Hoffer were the major codifiers of turnaround management. Schendel et al. (1974) began their initial focus on turnaround management within a narrowly defined set of parameters - finance. Schendel et al.'s (1974) first foray into turnaround management examined "a sample of firms who [had] reversed serious declining performance trends and [identified] characteristics of the strategies used to turn performance around" (p. 4). The first question the researchers aimed to address was why some organizations were able to pull themselves out of decline and while others spiraled further into destruction (Schendel & Patton, 1974). The initial studies focused upon financial measures, income, and profits, ascertaining turnaround through successful financial performance, sound investment, and logical expansion to generate sales (Schendel & Patton, 1974). Schendel and Patton

(1976) completed a second study investigating both the qualitative and quantitative aspects of turnarounds, but still focused exclusively on the financial indicators of a turnaround. The most important conclusion from the research was that a “stagnating or declining company seems to first need a deepened threat or shock to spur it to action” (Schendel & Patton, 1976, p. 240). Asserting that substantial change is required to achieve a turnaround in an organization, the previous lackluster performance that was allowed before the crisis must be eradicated (Schendel & Patton, 1976). In addition, any inefficiency in productivity, working capital, or operations must be corrected immediately (Schendel & Patton, 1976).

Schendel and Patton (1978) next looked beyond profitability as a single performance goal in strategic turnarounds. Cooper and Schendel (1971) viewed strategy as the general goals and intentions of a business in how it chooses its markets, its policies for operation, and spends and utilizes its resources. Schendel and Patton (1978) utilized these concepts of strategy to expand their model to a mathematical construct that would recognize the “multiple, independent performance goals” (p. 1613) of profitability, market share, and efficiency. The model asserts that beyond increasing sales and adequately performing in the company’s chosen market, a key element of turnarounds is production efficiency and holding down costs (Schendel & Patton, 1978). The researchers worked to create an elegant model of improved performance that encapsulated more dimensions of strategic turnarounds. In addition, Schendel, Patton, and Riggs (1976) determined through their study of 54 companies that the general strategic causes of decline were higher wages, lack of supply for raw materials, higher competition, difficulties with management, and smaller profit margins. The strategic solutions to these problems included diversification, divestment, changing upper management, and vertical integration of operations (Schendel et al., 1976). Schendel et al. (1976) also found that the operating causes of organization decline were economic recessions, strikes, labor issues, excess production capacity, and decreased price. The operating responses to these problems were to improve efficiency, focus on a specific area of business, and/or execute plant expenditures (Schendel et al., 1976). The summation of Schendel and his team's contributions to turnaround management was that an organization's stagnation and/or decline was a strategic decision problem that could be solved through a turnaround (Schendel & Patton, 1974, 1975, 1976, 1978; Schendel et al., 1974).

The next researcher to concentrate on organizational turnarounds and turnaround management was Charles Hofer. Building on Schendel et al.'s (1976) work on patterns of decline and turnaround, Hofer (1980) furthered turnaround management by creating a framework of turnaround strategies with a more operational focus. First, Hofer (1980) made the important distinction of questioning the "why" of a turnaround before the "how." He demanded that a business answer three important questions before designing and instituting a turnaround:

- Is the business worth saving, or is it better to liquidate it now?
- If the business is worth saving, what is its current operating health?
- What is the business' current strategic health? (Hofer, 2008, p. 24)

If the board of directors and management determine that the organization is worth saving, it is important to decide that the change is fiscally possible before expending the substantial effort and funds necessary to change direction (Hofer, 1980). Once the organization's management determines that it is fiscally responsible and operationally logical to turn the organization around, Hofer (1980) demanded a current assessment of the entity's financial condition, market and technological positions, production capabilities, strategic health, and product/market matrix before selecting a turnaround strategy. Financial condition is reasonably simple to determine with traditional financial and accounting measures and ratios. Market position is assessed through investigating current product and market segments, cost accounting break-even points, as well as determining the maximum sales possible for the organization's capacity (Hofer, 1980). The organization should also study its technological position, taking into account the quality of the entity's goods or services as well as its capacity for innovation (Hofer, 1980). For companies that produce goods or services, the entity must evaluate whether it possesses sufficient capability to increase production for more sales or to improve the efficiency of its current capacity (Hofer, 1980). In regards to a company's strategic health, Hofer (1980) suggested that entities intending to turn themselves in a new direction carefully assess their strategic possibilities from all directions and perspectives. Hofer (1980) did not neglect the need to assess where in the product/market matrix the organization and its products should reside – penetration, development (product or market), or diversification. Once an organization and its management has investigated all of the elements of its capabilities and finds that there is hope for a turnaround, it is time to execute the change.

Continuing with Schendel's (1976) division of operating and strategic turnaround strategies, Hofer (1980) codified whether entities should focus on strategic or operational turnarounds based on their current strategic and operating health. The stronger the strategic health, the more likely the firm is to use an operating strategy (Hofer, 1980). For entities with stronger operating health, an operating strategy is also appropriate (Hofer, 1980). However, the imperative first step of a turnaround for any entity is the dismissal of current upper management that caused the problem or allowed the infraction to occur through act or omission (Hofer, 1980). Whatever the type of turnaround, the beliefs and conduct of current leadership must be entirely removed to make room for positive change (Hofer, 1980). Institutional philosophy socializes employees and stakeholders to the entity's ethics, codes, and norms (Sims, 2000). Therefore, it is only by removing all remaining vestiges of the prior leadership that the underperforming and/or unethical culture can be eradicated (Sims, 2000). Sims (2000) commented that because there is a natural human desire to maintain the status quo, change is often extremely difficult for institutions and entities. Individuals subconsciously work to conserve and protect the current institutional ethos (Sims, 2000). Because change is difficult to undertake, a culture of inefficient and/or unethical comportment tends to feed on itself and support additional unfortunate conduct (Sims, 2000). Leadership must alter the mindset and psychological associations of the organizational culture for any real, permanent change (Schneider, Brief, & Guzzo, 1996). To correct and improve the organization, its culture, and its performance, the beliefs and conduct of current leadership must be removed for positive transformation (Hofer, 1980).

After upper management is replaced and members of the entity assess the firm from every side and angle, it is time to change the organization's direction. Hofer (1980) codified four general operational strategies – revenue-increasing, cost-cutting, asset reduction, and combination strategies. Revenue producing strategies such as increasing sales, producing and marketing new products, cutting prices, and improved marketing campaigns all have the potential to improve short and long-term revenues (Hofer, 1980). Cost-cutting strategies through decreasing the cost of production or administration are also a solution, but often require more permanent measures to be effective (Hofer, 1980). A more extreme strategy is to reduce an organization's assets. By selling off or reducing assets that are inefficient or unnecessary, the organization can obtain a short-term infusion of cash (Hofer, 1980). However, this strategy creates a risk that the entity sells the very assets that will be needed in the future after the turnaround (Hofer, 1980). Any one or a combination of these strategies can be used to revitalize an organization after prior top management is removed, but the appropriate strategy for the entity is dependent on its goals for its short and long-term solutions (Hofer, 1980). Hofer's (1980) major overall contribution to the field of turnaround management was to convert Schendel et al.'s (1974; 1976; 1978) research into operationally useful tactics for organizations.

A number of researchers took Schendel et al.'s (1974, 1976, 1978) and Hofer's (1980) work and continued their efforts to search for constructive solutions to correct organizational decline. Dozens of individuals took hold of turnaround management and built a genre of management through studies, models, and strategies. The general stages of a turnaround became changing upper management, completing an in-depth, exhaustive analysis of the organization's situation, implementing a plan, restructuring the entity and its culture, then returning to normal operations to assess the success or failure of the change (Turnaround Management Association, 2012). Because forty years of research created turnaround management, only the major highlights are presented below.

Carrington and Aurelio (1976) contributed a case study that encouraged planning and communication with all stakeholders in an organization during a turnaround while allowing flexibility to change. Castrogiovanni, Baliga, and Kidwell (1992) reminded organizations interested in completing a turnaround to concentrate on how upper management is changed, focusing on hiring CEOs from successful industry competitors. In "Turnaround: Retrenchment and Recovery," Robbins and Pearce (1992) discussed the tactics of retrenchment and recovery in turnarounds. Robbins and Pearce (1992) also added a focus upon internal and external factors, situation severity, stability, recovery, cost reduction, asset reduction, and entrepreneurial expansion to the turnaround models. Barker and Mone (1994) published their work in opposition of Robbins and Pearce (1992). Barker and Mone's (1994) study of the same firms found that retrenchment was not necessarily the best solution, but the right strategy depended on the specifics of the organization.

Chowdhury and Lang (1993) also maintained a turnaround management focus on narrow operating turnarounds in "Crisis, Decline, and Turnaround: A Test of Competing Hypotheses for Short-Term Performance Improvement in Small Firms." Dolan (1993) added a company's bankruptcy score, diagnostic studies, and monitoring plans to the toolkit of turnaround management in a four-stage rescue plan approach for a turnaround. Arogyaswamy, Barker, and Yasai-Ardekani (1995) added a two-stage contingency model to turnaround management with recovery strategies aimed to slow or halt any organizational decline. Chowdhury and Lang (1996) collaborated again to research turnarounds in smaller organizations and efficiency strategies. Barker and Duhaime (1997) continued to research strategic change while Barker and Mone (1998) added strategic reorientation to management theory. Harker and Harker's (1998) research looked to strategic selling and marketing during a turnaround.

Sudarsanam and Lai (2001) continued the research on turnaround management, providing a focus on operational, managerial, asset, and financial restructuring. Lohrke, Bedeian, and Palmer (2004) then built upon previous research to offer a three-phrase turnaround process. Lohrke et al. (2004) stipulated that the turnaround process was first a decline (stage one) that initiated a response (stage two), then elicited a transition or outcome (stage three). The research by Sheppard and Chowdhury (2005) took a different turn by studying Eaton Corporation, failing in its turnaround in a fiercely competitive market. Smith and Graves (2005) separated turnarounds into distinct phases – the decline and the recovery. Entities that are working to change their direction must carefully take into account the severity of the organization's financial, asset, and capacity problems to stop the decline and stabilize, as well as the retrenchment potential to improve cash flows and efficiencies (Smith & Graves, 2005).

The interrelated contributions to the field of turnaround management were constructed at times in tandem and in competition by these researchers. Combining a number of possible strategies, assessment tools, and directions for an organization, turnaround management is a complex and varied field that investigates organizational change via operations, strategy, finance, accounting, marketing, and production, depending on the needs of the entity. Researchers and practitioners have utilized the above findings as well as other research in strategy to change public and private entities, governments, large and small businesses, for-profits and not-for-profits (Boyne, 2006; Hambrick & Schecter, 1983; Ruiz-Navarro, 1998; Walshe, Harvey, Hyde, & Pandit, 2004). The importance of turnaround management cannot be understated to help organizations correct themselves, their reputations, and/or their strategy in order to solve their organizational problems and turn their focus on a more positive future while focusing on efficiency, effectiveness, and growth.

Turnaround management arose when organizations were failing, struggling, and declining in performance and value because of economic factors, internal inefficiencies, and poor performance. Risk factors for troubled organizations include:

- Ineffective management style,
- Troubled finances (excessive debt, inadequate cash flows, poor efficiency ratios),
- Over-diversification of products or services,
- Poor relationships with creditors,
- Lack of proper controls,
- Inability to compete effectively in the market,
- Unpredictable growth,
- Reliance on too few customers,
- Lack of a business plan (Turnaround Management Association, 2012).

However, these issues are not unique to a specific time period or isolated incident, but are ongoing, continuous problems in business. These factors that regularly occur in any number of organizations, coupled with the most recent series of economic problems from the Great Recession, demonstrate the continuing challenges for organizations from the internal and external environment.

The Great Recession of 2008-2009 began with the collapse of the sub-prime mortgage market that infected the rest of the financial systems throughout the United

States (Chong-Yah & Hui-Ying, 2011). The mortgage failures tightened the bond and credit markets, turning highly liquid investment markets sluggish and unwieldy. Lehman Brothers and American International Group collapsed (among others), weakening other banks and financial institutions and spreading to every financial market across the globe (Chong-Yah & Hui-Ying, 2011). At this point, the stock market began to plummet (Chong-Yah & Hui-Ying, 2011). Investors lost confidence and investments declined, threatening businesses (Chong-Yah & Hui-Ying, 2011). Consumers cut spending, decreasing sales of already flagging businesses, and these entities were forced to lay off employees (Chong-Yah & Hui-Ying, 2011). Unemployment rose, individuals and families stopped spending and lost their homes, and the economic downturn snowballed (Chong-Yah & Hui-Ying, 2011). The Great Recession did not turn into another Great Depression because of low interest rates, massive budget deficits of governments across the world, and focused global monetary policy, but it clearly demonstrates that the global economy is deeply interconnected and reliant upon a delicate balance of financial relationships (Chong-Yah & Hui-Ying, 2011). Though the financial and economic conditions were different in the Great Recession and the 1970s recession, the underlying need for businesses to change directions, retrench, diversify, and become more entrepreneurial to survive is even more relevant than before.

Companies have already used turnaround management after the Great Recession. For example, the Ford Motor Company has had a long history of success, changing directions, and pulling itself out of financial difficulty. The Great Recession was a very arduous time for automobile manufacturers including Ford, with several only able to survive through government bailouts for billions of dollars. However, Ford Motor

Company leadership chose not to utilize taxpayer funds to save itself and instead elected to execute a turnaround (Hehir, 2010). Prior to the recession, Ford's management made the mistake of purchasing organizations that operated as relatively autonomous entities that were simply joined by brand (Hehir, 2010). Leaders decided to turn around and "do more with less" (Hehir, 2010, p. 15), improved its cash flows, divested of unnecessary lines of business, and accepted the reality of fierce competition. However, Ford's long-term success will not be decided simply by cutting product lines, focusing on quality, and reducing the complexity of the organization's administration (Hehir, 2010). The true test of the turnaround will be whether Ford can achieve the right "leadership [and] culture, using a strategy that is realistic and practical, held together by [a] whole systems approach – [knowing that] there really are no short cuts" (Hehir, 2010, p. 15). Hehir (2010) provided that for Ford to be successful in permanent change, the board of directors must ensure CEO accountability, competence, commitment, a strong connection between management and the board, independence, and well-defined areas of duty. As evidenced by Ford Motor Company's turnaround - their retrenchment, cutting back product lines and expenses, divestment of nonperforming segments, and reorganization of administration - turnaround management is a vital element of strategic management theory with continuous relevance to all organizations in trouble.

There are diverting and differing theories within the field of turnaround management. However, the most pressing issues surrounding turnaround management are not necessarily the theories, but the hard realities of the business and economic climates. In fact, "today's increased competition, cyclical and volatile financial markets, and economic trends have created a climate in which no business can take stability for granted" (Turnaround Management Association, 2012). The economy demands that turnaround managers and organizations be extremely fluid, adaptive, and creative, no matter the industries and/or entities in which they operate. The increased federal and state regulations make lending, financing, and obtaining credit more convoluted and specialized (Turnaround Management Association, 2012). In addition, because bankruptcy provisions no longer permit banks and lenders to become directly involved in the turnaround, organizational course change becomes more complicated as bank participation becomes a form of equity action (Turnaround Management Association, 2012). These pressing operating environment issues demand more assistance from turnaround management. Increasing pressures upon these managers, entities, and stakeholders will make turnaround management more valuable and more difficult.

Turnaround strategies.

An organization "turning around a company ethically, financially, and strategically [first] requires a compelling vision to motivate executives and employees" (Puffer & McCarthy, 2008, p. 305). The institution must address the various problems identified by the numerous stakeholders, including employees, management, customers, clients, creditors, regulatory agencies, and stakeholders as a whole. Only with a clear and coherent vision focused upon organizational direction and an effort to change the perceptions (both internally and externally) of the entity can it correct its failures. Hofer (1980) provides three important questions to answer before designing and instituting a turnaround strategy in a business:

- Is the business worth saving, or is it better to liquidate it now?
- If the business is worth saving, what is its current operating health?

- What is the business' current strategic health? (p. 24)

If the board of directors and management determine that the organization is worth saving (and salvageable), it is important to decide that the change is fiscally possible before going through with the substantial effort and funds usually demanded to change direction (Hofer, 1980). Unfortunately, some organizations are so sullied that no amount of money can solve its problems. Enron and WorldCom, for example, both had so much financial fraud and corruption that the companies were irredeemable in terms of their corporate reputation, stakeholder trust, and financial status, making bankruptcy and divestiture the only option to recuperate any remaining worth (Putter & McCarthy, 2008).

In addition, unethical leadership and behavior may be so insidious and destructive that it spreads to other entities and organizational partners. Enron, a multi-billion dollar energy trading entity, due to its aggressive, illegal, and unethical business practices, destroyed itself. However, Enron's unethical behaviors were so pervasive that it also devastated its colluding auditor, Arthur Andersen, one of the five most powerful public accounting firms in the world (Yuhao, 2010). The corruption, fraud, and unethical behavior were so widespread that Enron could not be redeemed, and to attempt a course correction at the time the accounting scandals broke would have been financially impossible. Therefore, once management and leadership have determined that it is fiscally possible to revive the organization, Puffer and McCarthy's (2008) requirement of a "compelling vision" (p. 305) demands that the organization change. This course adjustment is often achieved through new leadership, hiring a Chief Ethics and Compliance Officer (CECO), restructuring the entity, including policies and procedures, removing and changing the reward structure, and demoting and/or firing the "old guard," all in an effort to restore trust and faith in the organization.

Removal of former management.

In all of examples of successful ethical turnarounds provided above, the first turnaround strategy was to remove the president or CEO of the organization. The imperative first step of an ethical turnaround for any entity is the dismissal of current upper management that either perpetrated the infraction or allowed it to occur through act or omission (Hofer, 1980). To correct the organization and culture, the beliefs and conduct of current leadership must be entirely removed to make room for positive change (Hofer, 1980). Because institutional philosophy socializes employees and stakeholders to the entity's ethics, codes, and norms, it is only by rooting out and removing all remaining vestiges of the toxic leadership that the poisonous and unethical culture be eradicated (Sims, 2000). Sims (2000) commented that because there is a natural human desire to maintain the status quo, change is often extremely difficult for institutions and entities as individuals subconsciously work to conserve and protect the current institutional ethos. Because change is painful and difficult to undertake, a culture of unethical and improper comportment tends to feed on itself and support additional unfortunate conduct (Sims, 2000). Leadership must alter the very mindset and psychological associations of the organizational culture for any real, permanent change (Schneider et al., 1996). Therefore, it is imperative that those leaders and stakeholders that demand an ethical turnaround institute new management and leadership as soon as possible as “successful turnarounds require the replacement of current top management” (Hofer, 1980, p. 28).

Restructuring the entity.

In addition to an unethical manager, the structure of an entity may lack appropriate controls and reporting structures to “blow the whistle” on improper activities. As part of an ethical turnaround, management should provide the support to move departments, functions, and reporting as necessary to align compliance and responsibility while providing the policies and practices to support this change. Cases such as Putnam, Tyco, and Waste Management all exemplified the need to change policy and structure with regards to reporting unethical or improper actions for a turnaround to be successfully accomplished (Kavanagh, 2008). This restructuring may include instituting policies were there were none (internal controls, codifying actions and responsibilities, etc.), correcting policies that were misapplied, or even eliminating verbal or written policies that allowed for incorrect practice. New leadership may need to change the functional structure of the institution to effect change because the Chief Ethics and Compliance Officer “always needs a direct unfiltered line to the highest governing authority” (Kavanagh, 2008, p. 26). Management should also allocate the funds and resources to increase compliance audits, monitoring, internal controls, provide a helpline, and sufficiently staff the organization (Kavanagh, 2008).

Removal or change of reward structure.

Another change during a transformation or institutional turnaround is the removal of the mechanisms that encouraged and rewarded the bad behavior--financial bonuses, pay schemes, and fringe benefits/perks of management positions (Ackermann, 2005; Meisler, 2004; Sims, 2000). Individuals in positions where compensation, bonuses, and personal wealth are closely tied to institutional performance are especially at risk for unethical behavior to better their personal situations (Ackermann, 2005; Meisler, 2004; Sims, 2000). These personal financial benefits may serve to encourage aggressive or unethical behavior at the expense of the entity and its shareholders (Ackermann, 2005; Meisler, 2004; Sims, 2000). Removing these inducements, like Putman Investments and Tyco, cuts organizational expenditures and decreases the personal financial rewards for earnings manipulation; therefore, it is imperative to remove those weaknesses entirely during an ethical turnabout (Ackermann, 2005; Meisler, 2004; Sims, 2000). While this shift will not eliminate all incentives for unethical action, it certainly reduces much of the personal benefit for bad behavior.

Demoting and firing the "old guard."

During the ethical turnabout, new leaders must be able and willing to demote and dismiss employees from the organization if they are known to be unethical (Sims, 2000). If current employees are disinclined to embrace the new organizational culture and leadership, managers must remove them (Sims, 2000). This restructure is especially important for the "old guard" of organizations that have allowed, condoned, or engaged in unethical behavior under previous management in the past. The ethical turnaround may necessitate the removal or demotion of all senior management, board of directors, internal audit staff, even the external auditors if they were complacent in the fraud or unethical activities as evidenced by the provided cases. As managers and leaders often hire like-minded individuals, unethical leaders of the past may have appointed employees that were willing to bend or break ethical or organizational standards, but only those individuals and stakeholders that are willing to embrace the new ethical culture should remain with the entity (Sims, 2000).

Boyne (2002) initially studied the various differences between private entities and public organizations to determine if various business concepts could be applied to public entities. Analyzing 34 different studies, Boyne (2002) concluded that "available evidence does not provide clear support for the view that public and private management are fundamentally dissimilar in all important respects" (p. 118). Boyne (2002) argued that managers of public entities must understand the differences between public and private entities, but have the opportunity to draw upon the lessons and tools from members of the private sector and apply them to the public sector. Boyne (2006) also determined that the academy had not yet developed a model of the turnaround process outside of the private sector and developed a generic conceptualization of turnarounds for the public sector as well. Concurring with other researchers, the major stages in decline and recovery (turnaround) began with the onset of the decline for whatever reason followed by corrective action to avoid a major turnaround (Boyne, 2006). If the organization failed to change behaviors and direction, a turnaround becomes necessary, demanding various strategies depending on the needs of the entity (Boyne, 2006).

Boyne (2004; 2006) broke the various strategies from other researchers into the more generic strategies of retrenchment, repositioning, and reorganization. Boyne (2006) provided that retrenchment as a turnaround strategy has the major intention to cull parts of entities that are underperforming, unprofitable, or unproductive. Whether it is to divest assets and/or business segments, introduce/remove technology, or to remove employees that do not align with the optimal strategy, each serves the organization in an effort to heighten efficiency (Boyne, 2004; 2006). In contrast, Boyne (2006) stipulated that repositioning is an entrepreneurial strategy that involved activities designed to redefine the organization's mission and vision. This redefinition is designed to enhance the entity's presence in a market or allow it to enter into new areas that can encourage a turnaround through new advancement, including entering into new markets and engaging in different competitive enterprises (Boyne, 2006). Boyne (2006) determined that there was a general disposition of success in repositioning while executing a turnaround. In addition, Boyne (2006) provided that the reorganization strategy was "a broad description of any change in the internal management of an organization" (p. 379). Reorganization was usually executed in conjunction with retrenchment and/or repositioning, but often included the removal of the organization's leadership (Boyne, 2004; 2006). Ultimately, Boyne (2004; 2006) provided that all three general strategies were feasible in public entities, though reorganization is the most commonly used strategy, yet more study in public entities would be advantageous to the field.

Turnarounds in higher education.

While there has been extensive literature on corporate turnarounds, comparatively less exists in higher education. Because higher education has become a competitive market demanding performance and efficiency in operations as well as finances, the concepts of turnaround management that were applied to corporations and businesses can be transitioned to higher education (Paul, 2005). Higher education institutions often demonstrate a longer path of decline then corporations, but can fail nonetheless (Paul, 2005). Atkinson (2002) provided examples of colleges in the United Kingdom that necessitated operational, though not ethical, turnarounds because of various failures in operations, financial management, or both. Atkinson (2002) detailed six distinct colleges in case studies, applying a strategy of "recognising the crisis; stabilising the crisis by taking control of all expenditures; analysing what has gone wrong; making management changes; managing stakeholders; identifying strategic options; planning recovery; and delivering recovery" (p. 25). These institutions of higher education were suffering from financial crisis and experienced an additional financial shock, but were not suffering as a result of ethical issues (Atkinson, 2002). Atkinson (2002) also differentiated between "recovery" and "turnaround" in that recovery was simply a single stage of an entity-wide turnaround that is comprehensive and involves the entity as a whole that addresses both strategic and operational issues. Atkinson (2002) derived this application from Slatter and Lovett's (1999) corporate turnaround strategies. Slatter and Lovett (1999) emphasized that an organization needed to first stabilize from the crisis, demanding proper cash management, improved financial controls, and reducing costs. As the crisis continued, Slatter and Lovett (1999) encouraged a change of leadership and increased communication with stakeholders to inform and rebuild trust, setting the stage for change throughout the entity, critical process improvements, and financial restructuring. Organizations may execute a recovery, but may not complete a turnaround if there are not sufficient changes to correct the direction of the entity's strategy or operations.

The particular challenge of chronicling the turnarounds in higher education was clarified by Atkinson (2002) in that there was “no published list of colleges in recovery, nor one of colleges which had successfully emerged from recovery” (p. 11) at the time of his research. Of Atkinson’s (2002) initial proposed sample, the majority of the organizations contacted declined to participate in his study, even with a guarantee of anonymity. The stigma of failure in higher education is such that entities experiencing a turnaround or recovery intended to avoid the connection to Paul’s (2005) research. Paul (2005) provided that organizations and institutions within higher education have struggled defining both success and failure, making organizational declines and potential turnarounds harder to define and study.

New York University and Northeastern University were both case studies of strategic, operational, and financial turnarounds from declining revenues and struggling performance (Paul, 2005). At New York University (NYU), substantial annual deficits threatened the organization’s operations, coupled with decreased enrollment and a market position known for serving the lower-scoring end of the academic market, demanded a change to survive (Paul, 2005). By reforming its mission and repositioning itself in the market, NYU executed an operational and financial turnaround that effectively altered the organizational strategy to adapt to a changed economic climate. Northeastern University, when faced with a major market decline in enrollment as well as decreasing revenues, executed an operational and financial turnaround by cutting programs and slashing operating expenses (retrenchment) (Paul, 2005). In the cases of NYU and Northeastern University, external market forces acted upon the organizations and the financial results exacerbated the problems in the entities (Paul, 2005). Once the colleges brought in new presidents, they used retrenchment, reorganization, and repositioning strategies to improve organizational performance (Paul, 2005).

Ethical turnarounds.

Turnaround management is not limited to financial, strategic, and operational turnarounds, but theorists and organizations have adapted its concepts and applications to ethical turnarounds after organizations and/or management have taken unethical actions and made unethical decisions. Management and leadership can save an organization from its past unethical choices only through a change in the organization's patterns of behavior and a transformation of ethical perspectives. Entities such as Adelphia Communications, Enron, Global Crossing, Tyco, Siemens International, Waste Management Systems, WorldCom, and Xerox have all committed a number of serious ethical infractions resulting in billions of dollars lost, livelihoods destroyed, and markets corrupted. Of these examples, only those organizations that changed their behavior and moral focus through an ethical turnaround remained in the market. Puffer and McCarthy (2008) continued Hofer's (1980) work, stating that an organization "turning around a company ethically, financially, and strategically requires a compelling vision to motivate executives and employees" (p. 305). Turnaround management became the solution for ethical as well as operational and strategic problems.

Every institution seeking to change its trajectory must address the various problems identified by the numerous stakeholders, including employees, management, customers, clients, creditors, regulatory agencies, and stakeholders as a whole. Only with a clear and coherent vision and an effort to change the perceptions of the entity can it correct its failures, strategically or ethically (Puffer & McCarthy, 2008). Turnaround management theory provides that the course adjustment is achieved through new leadership, potentially hiring a Chief Ethics and Compliance Officer (CECO), restructuring the entity, removing and changing the reward structure, and demoting and/or firing the "old guard," all in an effort to restore trust and faith in the organization (Hoffer, 1980; Kavanagh, 2008; Sims, 2000). Another imperative change during a transformation or institutional turnaround is to remove the mechanisms that encouraged and rewarded bad behavior - financial bonuses, pay schemes, and fringe benefits/perks of management positions (Ackermann, 2005; Meisler, 2004; Sims, 2000). In addition, during the ethical turnabout, new leadership must be able and willing to demote and/or dismiss employees from the organization if they are known to be unethical (Sims, 2000). Turnaround management has provided organizations with the tools, techniques, and models to change their behaviors with the creative application of these concepts to ethical infractions, saving many entities from their own mistakes.

Successful ethical turnarounds in corporations.

There have been dozens of corporate scandals throughout the business and not-for-profit worlds including ACORN, Adelphia Communications, AIG, American Airlines, Arthur Andersen, Bayer, Enron, Exxon, Fannie Mae, Global Crossing, Putnam Investments, Siemens AG, Tyco International, Union Carbide, Waste Management Incorporated, WorldCom, Xerox, and many others. The institutions that were unable to execute an ethical turnabout could not survive in their present form, forcing restructurings, mergers, buy-outs, sell-offs, massive lawsuits, and bankruptcies to survive, or were destroyed outright. However, those institutions that were willing to change their ethical directions and adapt were able to endure. These examples are important to the study of turnarounds in higher education because while these large, for-profit corporations are not in the same industries or even markets as higher education, their successes and failures blaze a trail for colleges and universities to have a basis in strategic, operational, and financial changes to execute their own turnarounds.

Putnam Investments, a Boston-based multi-billion dollar investment organization working to manage mutual funds worth over $270 billion, was undermined by a series of trading scandals in the early 2000s (Ackermann, 2005). Employees executed improper rebates and unsuitable payments to certain retirement funds and exhibited a lack of ethics (Arner & Young, 2004). However, the unethical behavior went deeper with flagrant violations of the firm's fiduciary duties to manage fund assets that resulted in substantial losses of clients, revenue, and reputation. A *cowboy culture* existed that encouraged abusive market transactions to "sell, sell, sell" (Arner & Young, 2004). A number of extremely valuable clients quickly removed over $70 billion of their assets, pulling over 25 percent of the organization's portfolio from Putnam's control almost overnight (Arner & Young, 2004). The mindset of obtaining new clients became more important than efficiently and accurately managing customer funds (Arner & Young, 2004). In addition, two important fund managers in the organization were found to have bought and sold assets improperly, negatively affecting their clients and shareholders. The company was also embroiled in a difficult and complicated battle with the Securities and Exchange Commission over $138 million in fines and shareholder restitution for wrongs (Arner & Young, 2004). The result of the unethical and abusive leadership of former CEO Lasser's 18-year management term was a paranoid and destructive culture that damaged clients and employees (Arner & Young, 2004). A veritable dictator, Lasser exhibited bullying "behavior designed to belittle others via humiliation, sarcasm, rudeness, overworking an employee, [and] threats" (Boddy, 2011, p. 367).

Putnam Investments desperately needed an ethical turnaround to save the nearly seven-decade-old firm, choosing to hire Charles Haldeman as CEO (Arner & Young, 2004). Haldeman was an investment manager known throughout the industry to be dedicated to client and stakeholder focus that consistently maintained extremely high standards (Arner & Young, 2004). The new CEO executed a number of internal changes, including bringing in a new compliance (ethics) officer as well as other high-level managers (Ackermann, 2005). Haldeman also introduced significant reforms throughout the organization, such as creating a code of ethics, cutting bonuses and incentives to reduce excessive risk-taking, decreasing costs and advertising, and removing over 20 high-ranking individuals from management (Ackermann, 2005; Arner & Young, 2004). Not only did Haldeman "clean house," but he also changed the organizational culture to demand higher standards of behavior by analyzing the trading records of every employee (Arner & Young, 2004). The new CEO also institutionalized additional policies halting improper trading while consolidating compliance efforts and responsibility in one office under the compliance officer (Ackermann, 2005; Arner & Young, 2004). Putnam Investments saved its future through hiring a leader that transformed the organization with an ethical turnabout, rebuilt its reputation, and restored employee and stakeholder trust in their operations.

German corporation Siemens AG has had a number of ethical scandals in its tumultuous past as a provider of electricity technology, energy technology, telecommunications, financial solutions, and dozens of other products. However, an ethical violation committed by the entity occurred over an extended period from 2000 through 2006 (Crawford et al., 2007). The transgression involved bribes paid to individuals, entities, and governments in at least 15 different countries around the globe, totaling approximately $1.3 billion (Crawford et al., 2007; Dougherty, 2008a; Dougherty, 2008b; Nielsen, 2009; Prodhan, 2008). These payments made to buyers in several industries and countries were executed to expedite transactions with government officials (Nielson, 2009). The company's actions were not only unethical, but also illegal according to German law (Nielson, 2009). These bribes made to win business for Siemens AG were not isolated, hidden payments from the shadows committed by a single individual or a minority of managers (Dougherty, 2008b). As Siemens AG was a German company, German prosecutors investigated over 300 individuals throughout the organization to uncover the depth and breadth of the corruption (Dougherty, 2008b). The organization brought lawsuits against the disgraced executives guilty of the corruption and authorization of the bribes, demonstrating "the intent of Siemens's new chief executive, Peter Loescher, to mount an aggressive cleanup effort" (Dougherty, 2008b). It took two years of investigations and court battles, but Siemens AG publicly acknowledged its ethical failings (Gallitz, 2009).

Siemens AG provided an official apology and a promise to correct the misconduct and trespasses, rooting out the problems of the company to allow the entity to move forward (Gallitz, 2009). Siemens paid 1.2 billion euros in fines because of its actions. Siemens first hired a new chief executive well known for his ethical behavior and actions, Peter Loescher, to execute the turnaround (Gallitz, 2009). Management hired a series of external compliance advisors and an internal compliance officer, working with an outside firm to determine the depth of the corruption (Esterl & Crawford, 2007). The organization's management also restructured its operations to create a clear responsibility configuration, increased internal control procedures, and took action against parties found guilty of misconduct (Gallitz, 2009). In addition, Siemens changed board polices and board membership to better align with the organization's new direction (Gallitz, 2009). The institution also engaged Ernst & Young as the company's independent auditors, one of the world's most reputable accounting firms, emphasizing the organization's "commitment to optimal corporate governance" (Gallitz, 2009, para. 4). In addition, other countries, including the United States, brought charges upon former executives for their actions in the bribery scandal.

Tyco International was another corporation in the early 2000s found to have committed a massive accounting fraud. Tyco International manufactures sprinkler systems, security systems, industrial products, and numerous other goods (Pillmore, 2003). Former CEO, L. Dennis Kozlowski, robbed millions from the organization and condoned a culture of excess and complacency from upper management and the board of directors (Pillmore, 2003). Both the former CEO and CFO "allegedly used the company as an ATM" (Meisler, 2004, p. 28), stealing several hundred million dollars from the enterprise. By authorizing bonuses paid to themselves, misappropriating funds and assets, and manipulating stock sales, upper management deliberately stole millions in assets (Meisler, 2004). To prevent bankruptcy, the organization's leadership booked losses of $9.2 billion upon the discovery of the accounting fraud and agreed to a massive ethical turnaround (Meisler, 2004; Pillmore, 2003).

The turnabout began with bringing in a strong, no nonsense, ethical leader to clean house, starting with the executive team (Meisler, 2004; Pillmore, 2003). Using his "passport to ethical leadership" (Puffer & McCarthy, 2008, p. 310) approach, new CEO Ed Breen immediately changed the structure and culture of the organization by hiring Eric Pillmore as the lead corporate governance officer that oversaw the turnaround (Marshall, 2004). Breen and Pillmore removed the 125 individual members of the headquarters staff, cut expenses, improved operations, and created a new series of governance and control systems in an effort to prevent future frauds and thefts (Meisler, 2004). The company also adjusted their supervision and severance compensation packages to remove incentives and benefits for asset manipulation and tightened restrictions upon stock trading by top management (Meisler, 2004). Management executed an additional sweeping change by completely replacing the board of directors that had allowed such activities to occur (Pillmore, 2003). New leadership labored to change the culture from the top as well as work towards restoring investor confidence and faith (Pillmore, 2003). Tyco's ethical turnaround was achieved by changing administration, converting the ethical mindset from the top of the organization, instituting new governance procedures in personnel, finance, and strategy, and bringing in ethical leadership that was willing to fight for integrity.

From 1991 to 1997, Waste Management, Incorporated engaged in a number of aggressive and overambitious accounting practices that dramatically inflated earnings and the value of its assets (Bailey, 1998; Greer, 2004; Johnson, 2008; "SEC and WMI," 1998; "Waste Management audit," 1998). The fraud was uncovered during a $19 billion merger with USA Waste Services, Incorporated in 1998 (Bailey, 1998; Greer, 2004; Johnson, 2008; “SEC and WMI,” 1998; “Waste Management audit,” 1998). The corporation had to restate five years of earnings, assets, and financial statements in the amount of $3.5 billion in charges (Melcher & McWilliams, 1998). Waste Management executed their fraud by inflating depreciation schedules to understate expenses and overstate revenues by approximately $716 million, overvalued waste sites and facilities of $1.3 billion, overstated goodwill of $536 million, and understated liabilities of $654 million (Melcher & McWilliams, 1998).

The corporation executed the turnabout beginning with hiring a new CEO, Maury Myers, known for his turnaround skills, after pressuring the previous senior management team to resign (Greer, 2004). Myers oversaw the correction of accounting flaws, updated and rectified payroll errors for 10,000 employees, and instituted new technology and systems to properly account for activities and funds throughout the organization (Greer, 2004). Myers was able to restore investor and public trust by demonstrating a will and intent to change organizational direction and followed through to exact a transformation (Greer, 2004). The company completed this turnaround and restored confidence through a three-year development plan that demonstrated success through increased share value, higher net income, and stronger earnings per share as the plan progressed (“Business Brief,” 2002).

Xerox was also entangled in an accounting scandal from 1997 to 2001 that resulted in the overstatement of profits by over a billion dollars (“When something,” 2002). Whistleblower James Bingham, the assistant treasurer for the corporation, publicly revealed the organization’s fraud and unethical behavior (“When something,” 2002). Xerox committed a number of deliberate abuses to overstate income and falsify financial statements over five years to inflate profits by approximately $1.5 billion (Thapa & Brown, 2007). By booking revenue on long-term lease contracts immediately instead of properly recognizing revenues in the periods in which it was actually earned, Xerox substantially overstated revenues (Kadlec, Fonda, & Parker, 2002). These accounting frauds required a restatement of approximately $6.4 billion on five full years of financial statements (Kadlec et al., 2002). In addition to flagrantly improper and unethical revenue practices, the corporation also admitted to bribery totaling at least $600,000-700,000 to government officials in India to increase sales ("When something," 2002).

Xerox determined an ethical turnaround was possible and promoted Anne Mulcahy as "the accidental CEO" (Miller, 2004, para. 8). Mulcahy promoted the values of honesty, resilience, and trust (Patnaik & Sahoo, 2010). Mulcahy chose to work to recapture the previous culture and values of the organization begun with the founding father CEO Joe Wilson (Patnaik & Sahoo, 2010). By leveraging the positive, beneficial character and culture of the organization to stamp out the unethical activities of the few, Mulcahy revitalized the corporate philosophy (Patnaik & Sahoo, 2010). The turnaround succeeded because Mulcahy was "straightforward, hardworking, disciplined, patiently persistent, and extremely loyal to the company. She took the turnaround of Xerox with a missionary zeal, by walking the talk and taking the whole company along with her" (Patnaik & Sahoo, 2010, p. 25).

These rather notorious and well-publicized examples of turnarounds in these powerful corporations provided not only the knowledge that positive change and turnarounds are possible, but also provided explicit examples of tools, tactics, and strategies executed during the process of turnaround. What is also of note is that all turnarounds utilized new leadership that were committed to bringing the organizations back into the light, solving the strategic, financial, ethical, and operational failings that caused the crises. In fact, all examples of the successful turnarounds above included a strong, ethical leader that demanded the same level of morality of the organization as a whole.

Qualities and role of an ethical leader during a turnaround.

Once the new manager takes on the leadership position, the ethical individual must communicate and bring attention to the new organizational focus of upright and honest behavior to effect an actual transformation (Sims, 2000). Honesty is a vital element of ethical leadership and has been the subject of much research (Avolio, 1999; Bass & Steidlmeier, 1999; Brown, Treviño, & Harrison, 2005; Den Hartog, House, Hanges, Ruiz-Quintanilla, & Dorfman, 1999; Howell & Avolio, 1992; Kouzes & Posner, 1993; Posner & Schmidt, 1992). The leader's honesty and increased negative attention upon wrongdoing and positive focus on "doing what is right" serves to uphold values, increases openness throughout the organization, and creates an opportunity for open communication about past mistakes as well as future direction and correction (Sims, 2000). First, the new leader must be able and willing to control his or her emotional reactions to the crisis that created the need for the ethical turnaround (Sims, 2000). As it is likely the new manager's tenure will begin in the middle of an organizational upheaval, the leader must also be able to remain rational and in control during the future calamities and crises that inevitably result during the process of the turnaround (Sims, 2000). Reactions to problems must be swift, upright, honest, and open, with an adamant refusal to hide behind the corporate shield of silence (Epstein, 2003; Puffer & McCarthy, 2008;

Sims, 2000). Leaders must possess a willingness to both admit past failings and apologize for them with the intent of creating and strengthening a culture of trust and honesty (Epstein, 2003; Puffer & McCarthy, 2008; Sims, 2000). Management must clearly communicate all relevant information, positive and negative, to the various stakeholders - employees, creditors, customers, governmental bodies, and others - consistently relaying financial data as well as progress in the turnaround (Epstein, 2003). In addition to conveying the new organizational direction, leaders must actively model and conscientiously demonstrate the expected behavior, bringing a character of ethical activity and management that others can admire and emulate (Sims, 2000).

Because "organizations as we know them are the people in them; if people do not change, there is no organizational change…[and] are effective only to the degree that these structural changes are associated with changes in the psychology of employees" (Schneider et al., 1996, p. 7). Leaders must change the hearts, minds, and thinking of the employees to execute a successful turnaround, usually through the strength and qualities of the person in charge. It is not enough that the leader, executive, or manager believes himself or herself to be ethical, but these individuals must possess a reputation for ethical and moral behavior (Treviño, Hartman, & Brown, 2000).

Existing literature provided that there are individual characteristics that are likely to manifest within ethical leaders, among them a substantial level of cognitive moral development, a concern for others, responsibility, and reliability (Bass & Steidlmeier, 1999; Brown et al., 2005; Brown & Treviño, 2006; De Hoogh & Den Hartog, 2008; Kalshoven et al., 2011; Turner, Barling, Epitropaki, Butcher, & Milder, 2002). However, Kalshoven, Den Hartog, and De Hoogh (2011) chose to focus on the "Big Five" personality traits that most strongly correlate with integrity of conscientiousness, agreeableness, and emotional stability (p. 350). In addition, Brown et al. (2005) as well as Treviño, Brown, and Hartman (2003) identified the traits important for ethical leaders of fairness, power sharing, and role clarification.

Treviño et al. (2000) asserted that the two-pillared ethical leader must be perceived as both a moral person as well a moral manager. The individual must act ethically and morally as a leader, as not simply the Chief Executive Officer, but as the Chief Ethics Officer, demonstrating honesty and integrity in every decision and deed. The moral person has the traits of honesty, integrity, and trustworthiness, always acting with the behaviors of "doing the right thing," having an honest concern for people, and operating with a strong personal morality (Treviño et al., 2000). That same moral person, when making decisions, must also hold to his or her values, be objective and fair, take into account a concern for society, and follow ethical rules (Treviño et al., 2000).

Values, ethics, and morals are the guiding force and direction for a management's behavior, therefore top management and executive leadership must portray them at every level of the organization (Treviño et al., 2000). The individual must then clearly convey that ethical standing, integrity, honesty, and fairness to all employees and interested stakeholders to be followed. A strongly ethical leader will publicly display principled, upright, and honest behaviors with veracity in all of his or her interpersonal communications and interactions with others (Treviño et al., 2000). By modeling and encouraging upright conduct, the turnaround leader is able to guide and inspire a virtuous culture for followers and employees (Treviño et al., 2000; Woolf, 1979). It is not enough that the leader, executive, or manager believes himself or herself to be ethical; these individuals must possess a reputation for ethical and moral behavior, clearly conveying to all employees and interested stakeholders their integrity, honesty, and fairness (Treviño et al., 2000). Because tenets, beliefs, and ethos are the guiding force and directive for an organization's behavior, it is imperative that top management and executive leadership demonstrate them at every level of the institution (Treviño et al., 2000). As a moral manager, the individual needs to model all of the traits of the honorable person (Treviño et al., 2000). Leaders also must provide appropriate rewards for positive conduct and the suitable discipline for negative behavior, constantly and continuously publicizing the organization's ethics and values (Treviño et al., 2000).

Erickson (2006) stated, "successful leadership – and the trust of those led – demands a true partnership between leaders and followers to create a team that advances our society toward the common good" (p. 63). Fruitful organizational governance ties the leader's goal to the benefit of the entity and stakeholders as a whole, as well as to the employees and other stakeholders (Erickson, 2006). The ethical and transformational leader chosen to steer the turnaround should also possess a number of personal qualities to build a relationship with the organization. In addition, he or she must maintain strong leadership through the period of turmoil to sustain organizational focus and effort through the process. Charles Christy, the Chief Financial Officer of Coastal South Bancshares, Incorporated, provided the Six C's of leadership necessary for leaders to possess:

- Competence — [the] demonstrated proficiency in "hard" technical skills and "soft" behavioral, influencing, and leadership skills,
- Composure — [the ability to] remain calm under fire,

- Conviction — [the] passion and commitment toward [the leader's] views or the views of others,
- Character — [the] consistent demonstration of integrity, honesty, respect, and trust,
- Care — [demonstrating] concern for the personal and professional well-being of others, [and]
- Courage — [a] willingness to stand up for [one's] beliefs, admit mistakes, and challenge the status quo when necessary in the spirit of "constructive contention." (Thomson, 2010, p. 50)

However, a "cultural change or an ethical turnaround for a company is a long and complicated process that cannot happen overnight, or simply by firing an unethical CEO" (Sims, 2000, p. 74). Thus, it is vital that stakeholders be patient with the entity and allow for a time of transition instead of expecting a total transformation overnight. To realize the transformation fully, leaders need the tools and authority to execute their vision whether it is hiring, firing, or restructuring the entity to change its ethical trajectory.

Instituting a Chief Ethics and Compliance Officer (CECO).

A strong ethical leader devoted to an ethical turnaround will often hire (or become) a Chief Ethics (and Compliance) Officer (CECO). Two strong examples of hiring a CECO were with Eric Pillmore at Tyco and ethics team leaders at Siemens AG that were specifically dedicated to ethics and performance (Kavanagh, 2008). Kavanagh (2008) provided an excellent description of the Chief Ethics and Compliance Officer as an individual who:

- Serves as the primary officer;

- Has responsibility for the overall ethics and compliance program;
- Has formal and informal recognition as having authority for a critical function in the organization;
- Supports the CEO and board in championing corporate values and standards;
- Participates in major company decisions;
- Serves as a member of the executive management team; [and]
- Maintains a singular focus on ethics and compliance. (p. 26)

The CECO should be the final authority of ethical behavior and action, maintaining sufficient independence from management to be free to raise issues without fear of retaliation (Kavanagh, 2008; Snell, 2011). To be successful, the Ethics Officer needs the freedom and support from management to create a new culture and make recommendations that will be embraced by the institution (Kavanagh, 2008; Snell, 2011). Aguilar (2010) mentioned that CECOs may hold other positions and titles such as Chief Risk Officer, Chief Operating Officer, Chief Executive Officer, Head of Human Resources, Chief Financial Officer, Head of Internal Audit, General Council, and others. For the CECO to be effective, the individual needs direct contact and access to the board of directors as the overriding authority of the organization (Aguilar, 2010; Kavanagh, 2008; Snell, 2011). However, the best reporting relationship for the CECO is a direct connection to the highest authority in the entity, possibly demanding a restructuring of the institution (Kavanagh, 2008; Snell, 2011).

The Role of Trust in Organizations

During a speech in Clinton, Illinois, Abraham Lincoln (1854) was believed to have said that “if you once forfeit the confidence of your fellow citizens, you can never regain their respect and esteem” (para. 1). As the speech was not transcribed, the newspapers ascribed the additional comment to Lincoln that “it is true that you may fool all of the people some of the time; you can even fool some of the people all of the time; but you can’t fool all the people all of the time” (Lincoln, 1854, para. 1). While Lincoln was speaking to the importance of maintaining the trust, faith, and conviction of the populous in its leaders, his words of wisdom transcend mere politics into all organizations and social interactions.

There is no single person or entity that has every quality needed to succeed. It is the necessity of society to work together, if only to engage in mutually agreeable commerce. Because every individual and organization is naturally and rationally concerned first and foremost with their own interests and goals, there must be a basic understanding between the various parties in order for social interaction, communication, and cooperative behavior to occur (Hosmer, 1995; Kramer & Tyler, 1996). Trust is necessary for stronger connections and communications in organizations, economies, and society as a whole because all interpersonal relationships depend on a certain amount of trust between individuals and groups to function (Denton, 2009; Hirsch, 1978; Kramer & Tyler, 1996).

Trust is thought of as the general belief that individuals or parties in an exchange or relationship will follow through with what they say and do, behaving as agreed upon by all involved (Blau, 1964; Deutsch, 1958; Puranam & Vanneste, 2009). Trust between individuals is the basic building block of interpersonal relationships and communication and therefore essential for stable associations (Blau, 1964; Puranam & Vanneste, 2009). Caldwell, Davis, and Devine (2009) concluded that "trust is ultimately the relinquishing of one's personal choice or power in the expectant hope that another party will honor the elements of the social contract between the parties" (p. 104). For collaboration in an enterprise, individuals that trust one another are able to work toward mutually defined goals with improved outcomes.

Even more than regular interpersonal relationships, management and leadership require substantial trust to administer and guide organizations as an imperative element of the work environment (Denton, 2009; Kramer & Tyler, 1996; Wong & Cummings, 2009). Shapiro, Sheppard, and Cheraskin (1992) provided that there are three types of trust in professional relationships – deterrence-based, knowledge-based, and identification-based trust. The concept of deterrence-based trust centers on the idea that the individuals involved will come through and complete the tasks they agreed to and will achieve what they have promised (Kramer & Tyler, 1996; Shapiro et al., 1992). In general, employees, management, and leadership achieve what is required of them, but mainly because of the threat of punishment or removal (Kramer & Tyler, 1996; Shapiro et al., 1992). Knowledge-based trust is trust formulated by one's knowledge and understanding of others – that the individual can trust their interpretation of the others' personalities and behavior to be able to predict how they will act and behave (Kramer & Tyler, 1996; Shapiro et al., 1992). In addition, identification-based trust is driven by the idea of being able to identify with the other person's feelings, intentions, desires, and perceptions of the world (Kramer & Tyler, 1996; Shapiro et al., 1992). As organizations are composed of individuals with complex personalities, intentions, and desires, understanding and empathizing with others allows leadership and employees to work together better with mutually understood goals.

Kramer and Tyler (1996) then expanded on Shapiro et al.'s (1992) types of trust, adding calculus-based trust, as well as expanding upon knowledge-based and identification-based trust. In investigating deterrence-based trust, Kramer and Tyler (1996) concluded that "the threat of punishment is likely to be a more significant motivator than the promise of reward" (p. 119). Because the fear of negative consequences may be stronger than the desire to achieve positive results, Kramer and Tyler (1996) added calculus-based trust, believing that trust is an "ongoing, market-oriented, economic calculation whose value is derived by determining the outcomes resulting from creating and sustaining the relationship relative to the costs of maintaining or severing it" (p. 120). The idea of calculus-based trust is that the respondents in the relationship calculate the value and importance of cultivating the connection, not just the pain of punishment if the association fails. As the relationship grows, individuals regularly make progress in building the relationship as well as suffer the setbacks of failures of trust. With knowledge-based trust, Kramer and Tyler (1996) reinforced Shapiro et al.'s (1992) dimensions of predictability, information, and accurate prediction of behavior by emphasizing communication and a courtship process to cultivate an ongoing understanding of the person and their reactions. With identification-based trust, Kramer and Tyler (1996) highlighted the idea of predicting the needs of the other individual in the relationship to build trust, as well as predicting their choices and feelings while empathizing with others to think, feel, and respond like the other person.

Trust is not only necessary for employees to demonstrate a readiness and inclination to stand up for what is right, but also to voice concerns, make suggestions for improvement, and to maintain an open, healthy culture (Wong & Cummings, 2009). Trust is considered to be a “crucial ingredient of organizational effectiveness” (Galford & Drapeau, 2003, p. 95) because “when employees trust who they work for, they are happier and more productive. Trust in turn is built on credibility, respect, and fairness” (Denton, 2009, p. 12). With credibility and trust in management, individuals in an organization are more able to express their thoughts with less fear of repercussion or punitive action, lessening uncertainty through communication. As trust is crucial to positive organizational performance, a lack of trust often increases incidences of ethical issues and corruption, as well as undercuts all constructive efforts and projects (Cremer, Tenbrunsel, & Dijke, 2010).

Kramer and Tyler (1996) explored the dynamics of trust at three levels – macro, meso, and micro, and trust should be investigated at every level within an organization. At the macro-level, it is important to address the strength or weakness of trust in the entire organization (Kramer & Tyler, 1996). It is at the institutional level where researchers can question whether trust has remained at its previous level or declined, as well as how it can be rebuilt (Kramer & Tyler, 1996). The very nature and organizational structure of the entity influences how management supervises and treats its employees. Faunce (1981) discussed the transitions of management in organizations from depending on the skills of artisans, to extremely routinized technology in the industrial revolution, to management again depending on the expert efforts of its employees. The needs of management influenced the level of trust they bestow upon their employees (Faunce, 1981; Kramer & Tyler, 1996; McGregor, 1957). When management relied upon the unique and complex skills of their artisans, the style was more trusting and open, as the employees and craftsmen possessed talents that were not readily available. As employees can be internally motivated per McGregor's (1957) Theory Y, management must have more trust in its employees. However, the more mechanized society became with human beings acting as interchangeable parts, the less trusting management became in the labors of their employees because of the belief that employees are lazy and must be forced to work (Faunce, 1981; Kramer & Tyler, 1996; McGregor, 1957). Yet, as the pendulum swung back towards a knowledge-based economy with specialized skills and less firms utilizing people for mechanized production, management again adopted a more trusting and open style (Faunce, 1981; Kramer & Tyler, 1996).

Caldwell and Jeffries (2001) identified seven qualities of managers and entities that are pertinent to convey and understand organizational trustworthiness. These include competence, quality assurance, interactional courtesy, procedural fairness, responsibility to inform, legal compliance, and financial balance (Caldwell & Jeffries, 2001). Without organizational proficiency in operations as well as quality control to prove its adherence to its competencies, internal and external stakeholders cannot be assured or trust that the entity is fulfilling its obligations to its employees, creditors, and stakeholders, calling into question its purpose (Caldwell & Jeffries, 2001). Procedural fairness demands that all relevant stakeholders, have the opportunity to participate in the organization with all matters of impartiality and openness (Caldwell & Jeffries, 2001). By clearly adhering to the responsibility to inform, entities provided all the important information and necessary communications applicable to appropriate stakeholders, upholding their obligation to notify, as well as conveying honesty and trust to everyone related to the organization (Caldwell & Jeffries, 2001).

At the meso-level, the dynamics of trust related to the collaborative networks within and across organizations (Kramer & Tyler, 1996). Powell's (1990) research indicated four networks of collaboration, all of which create social relationships and involve trust. These networks involved: membership in a professional community of some sort, a group bonded together with shared history and experiences, a network bonded by mutual dependencies, and a network based on place and kinship (Kramer & Tyler, 1996; Powell, 1990). When members of a collaborative network belong to the same professional community, it is easy for them to share information, experience, and skills, creating stronger outcomes in a professional accounting, medical, legal, or other specialized society. The network with a shared history is often within an organization or company where mutual experiences such as an especially successful or challenging event bonded them together. A network of mutual dependencies may be formed based on a project or simple necessity. The network based on kinship may be developed in close quarters based on friendship and togetherness. Trust is imperative in these networks as they can create mutually agreeable outcomes through relationships, gossip, kinship, and collaboration (Kramer & Tyler, 1996; Powell, 1990). Trust is easier to build when members of the networks are in the same organization as proximity encourages bonding. As trust is grown and cultivated in these networks, groups of individuals or entities can create better outcomes than they would have on their own.

At the most basic, micro-level, the study of trust centers on the psychology of the individual (Kramer & Tyler, 1996). At the individual level, trustworthiness in managers is contingent on the belief that these individuals and entities are competent, responsible, and dependable, and able to fulfill their obligations completely without reservation (Ingenhoff & Sommer, 2010). In addition, Caldwell and Clapham (2003) provided interpersonal trustworthiness factors that were indispensable for individuals, including established ability, benevolence, and integrity, demanding first that managers possess the necessary skills, competencies, and expertise to do their jobs with the utmost ability to perform. Managers and leaders should have the intention and desire to do the right thing, to do well without thinking of personal gain, operate with kindness, as well as act with integrity, upright character, honesty, fairness, and credibility (Caldwell & Clapham, 2003). Another less obvious indicator of trust in managers and leaders is whether the individual is consistently available, both physically and emotionally, therefore actively engaged in the organization as well as the concerns of its employees (Denton, 2009). Employees must also be convinced that the manager or leader has both the capacity and willingness to keep confidences and maintain privacy to be trusted and is “present,” in that the manager or leader is focused on the success of the enterprise (Denton, 2009). Because trust is needed when there is an ambiguous situation or action in the future, where the results of the decision depend on the actions of others, and where the negative result may be worse than the positive outcome, the destruction of the relationship of trust and confidence in leadership is especially damaging (Deutsch, 1960; Kramer & Tyler, 1996).

Destruction of trust and impact on organizations.

Trust is often a tentative and fragile aspect of human interaction that is relatively easy to break or destroy, intentionally or unintentionally. An unintentional violation of trust is accidental or inadvertent because one or both parties may not be aware of the same facets of a relationship, agreement, or decision. Intentional violations of trust are far more insidious as the betrayal is quite simply a breach of trust or honor in the expectations of behavior and relationships that can effectively destroy all positive outcomes from a previous or future relationship (Caldwell et al., 2009). Trust can be destroyed either through a slow decline that is a gradual erosion or a swift and severe single incident that "effectively eliminates all trust" (Kramer & Tyler, 1996, p. 125). Caldwell et al. (2009) mentioned that workplace betrayal is usually voluntary as either one or both parties decides to violate the agreement or relationship. When one or more parties violate expectations or covenants that are pivotal to the organization, both parties are aware of the arrangement and affiliation, and that the betrayal has the potential to harm one or both parties (Caldwell et al., 2009). The destruction of trust results in suffering, frustration, and/or sorrow as a previously respected leader or organization becomes tarnished (Caldwell et al., 2009). The violation upsets the wronged party as well as destabilizes the relationship, negatively impacting both the cognitive and emotional balance in the entity (Kramer & Tyler, 1996).

At the personal level, where the trust relationship was once in balance, the violation creates an immediate state of negative affect and feeling, uncertainty, and instability between the parties (Kramer & Tyler, 1996). After the violation, each individual undergoes the cognitive processes to determine the depth of the betrayal, establish who is responsible for the encroachment, and decide the magnitude of the negative impact (Kramer & Tyler, 1996). In addition, both parties will also experience the emotional impacts of the violation and must manage the hurt and anger while reevaluating the feelings each has for the other (Kramer & Tyler, 1996). Kramer and Tyler (1996) also provided that the response of the violator is to either accept responsibility of guilt or claim innocence. If the violator claims responsibility, he or she can ask for forgiveness and attempt to salvage the relationship, become merely ambivalent about the relationship, or becomes hostile and abandon the relationship (Kramer & Tyler, 1996). Overall, the outcome of the violation may be a destroyed relationship, a recalibrated or reconfigured relationship, or a restored relationship.

Kramer and Tyler (1996), in discussing calculus-based, knowledge-based, and identification-based trust, provided additional violation information. With regards to calculus-based trust, as the relationship is built and constantly reevaluated, a violation of trust may result in simply a 'two steps forward, one step back' mentality where a violation results in disappointment and frustration, but not an egregious break (Kramer & Tyler, 1996). With knowledge-based trust, knowledge and affinity with others develops over time in lower-risk situations therefore "trust is perceived as violated only when the person's actions are perceived as freely chosen" (Kramer & Tyler, 1996, p. 127). If the action was freely chosen, therefore deliberate, the individual that is betrayed must revise first his or her perception of the betrayer and the relationship, because even if it is restored, it will never be the same (Kramer & Tyler, 1996). However, Kramer and Tyler (1996) provided that in regards to identification-based trust situations, almost any trust violation is a relationship-transforming event. As identification-based trust is based on empathizing with and understanding the other person's identity, violations are a breach of the social contract of the parties involved, rupturing the relationship (Kramer & Tyler, 1996). It is only through meticulous and time-consuming effort that the connection is made again, but it will never look the same as it did before the infraction (Kramer & Tyler, 1996).

At an institutional level, the destruction of trust is profoundly unsettling for the individuals that have poured their human capital, financial and physical resources, efforts, careers, reputations, and service into the organization for its benefit (Gillespie & Dietz, 2009). After trust is destroyed either through betrayal or accident, employees no longer want to devote themselves to the service of an organization or leader that hurt them, and are not inclined to trust the leaders as the relationships between them are damaged. Employees may chose to leave the entity, taking the knowledge, training, and investments in human capital with them, psychologically withdrawing resulting in counterproductive workplace behaviors, or even engaging in acts of obstruction or revenge for actual or perceived wrongs (Gillespie & Dietz, 2009). The exit of employees from the organization results in a significant loss of institutional data and worth in their training, advancement, and outlay of human capital. Employees that no longer trust the organization or its leadership may engage in production deviance, the intentional failure to perform a task or job as assigned, resulting in frustration for all parties due to the insubordination to the organization and its values (Jensen, Opland, & Ryan, 2010).

A deeper and more destructive counterproductive behavior by employees is outright sabotage that deliberately destroys and/or defaces organizational property, relationships, and/or value, whether overt or subtle (Jensen et al., 2010). If the organization or leadership has betrayed an individual for whatever reason, the employee or manager may also decide to abuse the organization, rationalizing it based on the perceived failure of the institution or manager to uphold its promises, believing that he or she is “owed” for the betrayal (Jensen et al., 2010). An additional form of retaliation for the perceived betrayal or destruction of trust is the calculated lack of focus for the employee; an active disengagement at work. This committed exclusion is a change in how the employee expects to spend his or her time at the job as evidenced by slacking, social loafing, avoiding responsibilities, wasting time on tasks, or executing personal business on organizational time (Jensen et al., 2010). These counterproductive work behaviors may result because trust in the institution or management has been broken, resulting in organizational malcontent, as well as financial losses.

Every organization that has experienced a loss of trust suffers. A for-profit entity may lose stockholders or stakeholders and the market may abandon it. Stock prices may fall, customers may leave, and employees may exit. However, the destruction of trust is potentially more catastrophic for the not-for-profit organization as a whole than for-profits. Because not-for-profit organizations rely upon the generosity of their benefactors and belief in their mission to survive, they are particularly at risk for damage due to the destruction of trust (Tolbert, Moore, & Wood, 2010). Because not-for-profits often depend on donations, charity events, and fundraising activities to generate capital, the loss of support of their stakeholders is substantial.

Restoring trust during a turnaround.

Trust is necessary for all organizations as trust is a “crucial ingredient of organizational effectiveness” (Galford & Drapeau, 2003, p. 95). A lack of trust often increases ethical infractions and corruption as well as undercuts all constructive efforts and projects (Cremer et al., 2010). At an institutional level, the destruction of trust is "profoundly unsettling" (Gillespie & Dietz, 2009, p. 127). As trust is especially important during times of crisis, organizational upheaval, or serious challenge, trust must be rebuilt to continue making decisions (Siegrist, Earle, & Gutscher, 2007; Siegrist & Zingg, 2013). Therefore, the restoration of trust is vital for an organization to move forward. Because trust has both an emotional and cognitive basis, the destruction of trust will influence individuals' actions as well as their relationships (Kramer & Tyler, 1996). Regardless of the fact that usually only one of the parties has violated the trust of the other, the repair is a mutual, bilateral experience (Kramer & Tyler, 1996).

Janowicz-Panjaitan and Krishnan (2009) concluded that there are conditions and situations where trust cannot be repaired. However, in cases where trust restoration is possible, organizations will require remarkably different strategies to rebuild trust than those used to create trust. Kim, Ferrin, Cooper, and Dirks (2004) determined that organizations have two distinct responses to trust violations. Institutions can either apologize for the incident or deny its occurrence (Kim et al., 2004). An apology is a public acknowledgment of responsibility for the trust violation as well as an expression of remorse, guilt, and repentance for the damage (Kim et al., 2004). The other response is to explicitly disavow that the trust violation actually occurred, declaring it false (Kim et al., 2004). However, the result of the two tactics will have substantially different results depending on the type and severity of the infraction.

Violations of trust from competence and integrity infractions are important to immediately correct. Organizations are much more likely to admit competence violations as they are considered more controllable through training, hiring, firing, or simple error correction (Poppo & Schepker, 2010). However, integrity violations are quite problematic, as “a single act of dishonesty will cause trustors to conclude that the trustee is inherently dishonest” (Janowicz-Panjaitan & Krishnan, 2009, p. 255). Even a trivial or inconsequential act can bring the entire character of the entity or individual into question. Though most ethical and integrity violations are usually perpetrated by a single individual or small group of individuals colluding in an entity, the potential exists for the entire organization to blamed for damage (Poppo & Schepker, 2010). When individuals or organizations work to repair trust, they must:

- Be willing to invest time and energy into the repair process,
- Perceive that the short- and/or long-term benefits to be derived from the relationship are highly valued – that is, the payoff is “worth” the investment of additional energy, [and]
- Perceive that the benefits to be derived are preferred relative to options for having those needs satisfied in an alternative manner. (Kramer & Tyler, 1996, p. 129)

Once both parties have determined that the relationship is worth saving, either at the individual or organizational level, the parties must engage in reciprocal trust repair. The first step is to recognize the trust violation has occurred, acknowledging it so both parties are operating with the same information (Kramer & Tyler, 1996). As a trust violation might have occurred inadvertently, by mutually recognizing that the damage was done, the parties can make the choice to move forward. The second step is to determine what actions caused the destruction of trust and take blame for the action (Kramer & Tyler, 1996). Because the victim is already aware of the breach, the challenge is for the perpetrator to own the blame. Once blame is accepted, the third step to "admit that the event was 'destructive' of trust" (Kramer & Tyler, 1996, p. 132) is necessary. If the guilty party admits the action destroyed trust, he or she demonstrates to the victim(s) that their experiences and losses matter. This process usually demands full disclosure as well as a discussion of the events and the cognitive and emotional results of the betrayal (Kramer & Tyler, 1996). The fourth and final step is for the offender to accept full responsibility for their actions as well as the consequences of the breach of trust (Kramer & Tyler, 1996). Whether intentional or not, if the victim believes to have been wronged, then trust has been broken. During this process, the victim also engages in the same discussion and works with the perpetrator to find common ground to rebuild trust. The victim can then allow the offender to begin to repair the trust by offering some element of forgiveness to the apologetic guilty party.

Apologizing for a mistake is a clear behavioral correction but is often rather difficult to execute. When making an apology for wrongdoing, the individual or entity is admitting its failure and making the implicit promise that the violation of trust will not be repeated (Poppo & Schepker, 2010). Apologizing is the most important step to reconciliation as it demonstrates an understanding of the perspective and plight of the victim and a willingness to remedy the damage caused by the offending party (Poppo & Schepker, 2010). Lewicki and Bunker (1996) also outlined a process that begins with acknowledging the violation, determining the causes of the violation while admitting guilt, admitting and agreeing that the act was indeed destructive, and accepting the responsibility for the consequences of the violation.

The second major response to a breach of trust situation is simply to deny that it ever occurred and pretend that it never existed (Poppo & Schepker, 2010). This strategy provides no intent to correct behavior and raises serious subsequent concerns about ethics and trustworthiness (Poppo & Schepker, 2010). By denying the infraction, the perpetrator is concealing the original transgression and committing a supplementary trust violation (Poppo & Schepker, 2010). This strategy likely causes added harm, reputational damage, and financial loss to the organization because it indicates the full intent of the individual or organization to further deceive the injured party and possibly the public (Poppo & Schepker, 2010).

To substantiate organizational trustworthiness, entities should exhibit competence, quality assurance, interactional courtesy, procedural fairness, responsibility to inform, legal compliance, and financial balance for both managers and entities (Caldwell & Jeffries, 2001). Institutions must maintain a high level of competence to achieve sufficient results that adhere to the mission and maintain clear standards of quality to assure that competence is publicly and continually achieved (Caldwell & Jeffries, 2001). Stakeholders cannot be assured or trust that the entity is fulfilling its obligations to its employees, creditors, or stakeholders without organizational proficiency and quality controls (Caldwell & Jeffries, 2001). Procedural fairness demands that all relevant stakeholders have the opportunity to participate in the organization with all matters of impartiality and openness (Caldwell & Jeffries, 2001). Adhering to the responsibility to inform, institutions should provide all relevant information to appropriate stakeholders (Caldwell & Jeffries, 2001). Entities can rebuild trust by providing their stakeholders with truthful, accurate, and timely information about organizational performance and expectations (Denton, 2009). Organizations also must express confidence and trustworthiness by operating with financial balance to fulfill their missions and commitments without waste while adhering to all rules, regulations, and laws governing the organization at the local, state, and federal level (Caldwell & Jeffries, 2001).

Higher Education

Classification of small, regional, public institutions of higher education.

The United States describes college and universities as educational institutions in several different ways to provide various classifications for students, parents, and stakeholders. The Carnegie Foundation for the Advancement of Learning (2010) created the Carnegie Classification of Institutions of Higher Education, the leading system to organize colleges and universities by various characteristics. The Foundation (2010) classified educational institutions by the traditional Carnegie Framework, by instructional program (level of degrees provided), enrollment profile, population size, and setting. For the purposes of this research, the Carnegie Classification of Size and Setting is relevant as large organizations often operate substantially differently than smaller, more intimate entities. Per the Foundation (2010), a “small” school is defined as one that has between 1,000-2,999 full-time equivalent students. The classification breaks “small” into three other more targeted categories of primarily nonresidential, primarily residential, and highly residential, but that additional classification is not relevant to this study (Carnegie Foundation for the Advancement of Learning, 2010).

The Council for Higher Education Accreditation (CHEA) (2013) is the body that manages the accreditation agencies across the United States. These accreditation agencies are regional bodies that have broken the country into separate geographic blocks to manage degree-granting institutions of higher education, public and private (Council for Higher Education Accreditation, 2013). The following organizations manage the different regions of all degree-granting institutions:

- Middle States Association of Colleges and Schools Middle States Commission on Higher Education (MSCHE)
- New England Association of Schools and Colleges Commission on Institutions of Higher Education (NEASC-CIHE)
- North Central Association of Colleges and Schools: The Higher Learning Commission (NCA-HLC)
- Southern Association of Colleges and Schools Commission on Colleges (SACS)
- Western Association of Schools and Colleges Accrediting Commission for Community and Junior Colleges (WASC-ACCJC)
- Western Association of Schools and Colleges Accrediting Commission for Senior Colleges and Universities (WASC-ACSCU)

An institution of higher education also defines itself by its method of funding. A private college or university is exclusively funded by student remissions, the entity's endowment, and donations. As private institutions do not receive public funding from the state government, the direct authority over the private entity is the regional and/or professional accrediting agency. On the other hand, a public college or university is funded in part by public dollars, therefore by state government appropriations. As a result, in-state resident students usually pay cheaper tuition rates. However, because these institutions are accountable to the state government and the public, there is often a state agency, board, or office to which the entity is held accountable.

Risk factors for organizational malfeasance.

All organizations are at risk for organizational malfeasance, but certain institutional factors create a potential culture for fraud, all of which may be present in higher education. There are "organizational dysfunctions that point toward fraud or at least provide opportunities for it to flourish" (Conway, 2004, p. 129), among them issues such as a

- habit of noncompliance with regulatory or governmental bodies; [an]
- absence of checks and balances, or an enforcement of checks and balances; [a]
- culture that forbids bad news or dissension;
- haphazard or limited investigations of suspected wrongdoing;
- unrealistic goals, targets, or expectations; [a]
- lack of respect or concern for internal controls; [a]
- lack of physical safeguards of assets;
- understaffing;
- great pressure from stakeholders, auditors, or boards of directors;
- compensation overly tied to performance; [or there is]
- inexperienced and/or ineffective oversight by board. (Conway, 2004, p. 129-130)

These organizational dysfunctions do not create abuses or excuses malfeasance, rather they are examples of the symptoms of the underlying disease of a problematic culture for which management is both responsible and accountable, as well as for any decisions regarding or relating to ethics, behavior, and performance (Ferrell & Ferrell, 2011). Colleges and universities, whether for-profit or not-for-profit, can easily fall prey to these issues, even though their existence is usually considered to be for a higher purpose in society.

In looking at a number of the organizational dysfunctions that create a culture and opportunity for problems in educational institutions, these entities have additional required elements for compliance with regulatory and governmental bodies. Because most educational institutions are exempt from federal and state income taxes by their purpose, not only is their income and spending scrutinized by their supporters, but by the governmental bodies that exempt them from taxes (Tolbert et al., 2010). Educational institutions may have an organizational culture that may want to avoid bad news or dissension as the individuals involved are perceived to be unsupportive of the organization's mission and detract from the public's support of the entity. Without public support, donations and funding are not forthcoming and may create potentially unrealistic goals. There is no question that "when an organization is accused of fraudulent practices, the claim can strike at the very heart of an organization's image" (Caldiero, Taylor, & Ungureanu, 2009, p. 219). For the college or university that relies on the support, goodwill, and generosity of its members and other stakeholders, as well as an image of meaningful mission and support to the public, the damage from its behaviors may be substantial.

Problems in higher education.

While business lapses and ethical turnarounds are discussed at length in the media and are the study of academia, researchers often "lack empirical data on ethical lapses occurring in universities" (Kelley & Chang, 2007, p. 407). These lapses range from improper records, grade inflation, manipulated enrollment, fraud, and more. For example, East Arkansas Community College repeatedly falsified records and defrauded their stakeholders and state citizens (Lieb, 1998). The "disturbing pattern of padded class enrollments, altered computer records, grade inflation and ghost classes" (Lieb, Wright, & Jefferson, 1998, para. 10) substantially inflated enrollment with the intent of obtaining additional funding and grants from the state government. Certain students were allowed to register for classes for free or for payment of $1 simply to over report enrollment by approximately 26% (Lieb et al., 1998). In addition, Arkansas State Representative Flanagin and his ex-wife, a former dean, were also involved in the fraud, enrolling their children in college courses, the youngest age 13, to pad class enrollments (Lieb, 1998; Lieb et al., 1998). As evidence of the organization's ethical turnabout, the trustees of the college voted not to renew the president's contract after it expired, and the former President Dr. George McCormick resigned with $150,000 contract buyout with nondisclosure agreement ("News Brief," 1999; Wright, 1998). In addition, Jauwiece McGuire, the ex-wife of Flanagin, was demoted from her position of Dean of Humanities and Fine Arts due to her role in fraud (Lieb, 1998; Lieb et al., 1998; "News Brief," 1999; Wright, 1998).

Problems at the small, regional, public university in the upper Midwest.

The small, regional, public institution of higher education under study recently encountered a series of organizational difficulties that negatively influenced its reputation. An audit of its special, short-term international programs determined that the majority of special programs failed traditional degree standards (The Associated Press, 2012; Donovan, 2012a; Donovan, 2012b). The "slipshod international program without controls and oversights" (Donovan, 2012a, para. 3) allowed 743 students from overseas, the majority from China, to receive degrees from an improper international program (Donovan, 2012b). More than 500 of these students were awarded degrees that lacked the documentation to prove they had actually earned the degrees and the organization became known as a degree mill for Chinese students.

The 2011-2012 academic year included the termination and subsequent lawsuit of the former president for enrollment inflation, a compliance and policy audit (improper degrees, human resources, and internal controls), and a financial audit that revealed a number of problems across the university (Finneman, 2012). The organization and its members were accused of enrollment inflation/fraud, improper awarding of degrees without documentation, misuse of public funds, and inappropriate scholarship allocations. The fallout from these actions culminated in a damaged reputation, substantial employee turnover, a decrease in student enrollment, a loss of donors and revenue, and the choice of the former dean to take his own life.

Conclusions: Need for the Study

The challenges and difficulties at the specific university in question were weighty. The organization has been used at academic conferences as a negative example of what other educational institutions should not do (C. Belcher, personal communication, July 1, 2013). The small, regional, public institution and its management determined that the organization needed a course correction and began to change its behavior. The entity's accreditation was at risk, the student body plummeted, and the academic and local communities vilified the university and its management. As the example of the small, regional public university provides, once the damage to an organization is done, the consequences may be catastrophic to all stakeholders – employees, students, donors, and the rest of the community.

As demonstrated in the literature review, the vast majority of research and established theory regarding turnaround management and trust is firmly situated in the business and corporate realm. Because ethical issues and the need for turnarounds are not limited to the corporate world but bleeds into governments, educational institutions, and not-for-profit organizations, the Academy and its body of knowledge has an application gap. With a number of examples in the corporate world, the academic community can follow its lead, but with the delicate balance of additional, potential stakeholders of the public, government, donors, and others, the stakes for a successful turnaround are perhaps even higher. As there has been little to no use of these topics to the area of higher education, the research titled "The Management of a Turnaround after an Ethical Breach in a Public Institution of Higher Education" applies the differing yet related theories of turnaround management and the restoration of trust to a small, public institution of higher education. Making an in-depth foray into a specific entity within higher education, this research investigates the theory that institutions of higher education can be restored through an ethical turnaround (Hofer, 1980; Patnaik & Sahoo, 2010; Puffer & McCarthy, 2008). By applying these areas of research to this university, the Academy, as well as the profession, can use the hard-learned lessons to solve other crises in colleges and universities to turnaround and recover before it is too late.

Chapter 3: Method

Research Design and Questions

In general, qualitative research seeks to explore and understand an issue or concept while quantitative research is designed to test a theory, hypothesis, or statement, and mixed methods utilizes both qualitative and quantitative elements (Creswell, 2009). Ultimately, the research should drive the methodology and the most appropriate method is truly dependent upon the intent of the research. The intention of this research was to answer the following question:

Did current university faculty, staff, and administrative members perceive that the organizational entity and its leadership have demonstrated a process/path illustrative of a turnaround as measured by responses to Beeri's (2009) *Turnaround Management Strategies in Local Authorities*?

- *H1*. A positive correlation existed between a perception of turnaround in reorganization activities and all faculty, staff, and administrative employees.
- *H2*. A positive correlation existed between a perception of stronger financial controls and faculty, staff, and administrative employees.
- *H3*. A positive correlation existed between a perception of extending new marketing efforts to new consumers and faculty, staff, and administrative employees.

- *H4*. A positive correlation existed between a perception of improving the local authority’s internal and external image and all faculty, staff, and administrative employees.
- *H5*. There was a moderate correlation between a perception of rebuilding stakeholder trust in the local authority and those employees considered mostly staff or mostly faculty.
- *H6*. There was a moderate correlation between a perception of reshaping and improving the organizational culture and climate and faculty and staff employees.
- *H7*. There was a positive correlation between a perception of rebuilding stakeholders trust in the local authority and the level of participation in extracurricular activities on campus.
- *H8*. There was a positive correlation between a perception of rebuilding stakeholders trust in the local authority and the number of hours per week employees spend on campus executing their specific job duties.
- *H9*. There was a positive correlation between a perception of redefining the core mission and all faculty, staff, and administrative employees.
- *H10*. There was a positive correlation between defining a common vision of the local authority and the levels of management.

In addition, the instrument also included a number of demographic questions (see Appendix C: Survey Instruments). The instrument was delivered electronically via

SurveyMonkey.com from the researcher's personal e-mail and respondents were informed as to the expected length of time required to complete it: approximately 15-30 minutes. The interval Likert-type survey responses were analyzed using various statistics. The responses were tested using the Chi-square inferential statistic to assess whether the frequency of the distribution of responses fit a specific pattern of whether a majority of respondents perceived if retrenchment, repositioning, and reorganization activities occurred. In addition, the Pearson Correlation Coefficient was utilized to determine whether or not specific correlations existed. The Analysis of Variance (ANOVA) was used to compare groups of respondents as divided by demographic data available.

Respondents and Site

The research site of the small, regional, public institution was chosen due to its period of substantial organizational change and potential for turnaround after its internal difficulties, as well as the researcher's access to the population, records, and data related to the site. As there have been comparatively few, if any, highly publicized examples of ethical turnarounds in higher education, this research provided an analysis of how respondents perceive the organizational turnaround. In addition, because this site involved a number of complex issues that have been publicized in the local, state, and national media, there were a number of sources of information for supporting documentation.

Because this study focused on a specific organization, adequate permission was sought from the university under study via request through the Institutional Review Board. As this research was primary research for a dissertation, the proper permissions were also obtained from the George Fox University Institutional Review Board. In addition, the Vice President of Academic Affairs at the university under study reviewed the research and found it to have merit. The identities and positions of all respondents were obscured to all parties, including the primary researcher, via SurveyMonkey.com to maintain confidentiality and anonymity. Responses collected via SurveyMonkey.com were kept completely confidential and anonymous, even to the researcher. Not only did the researcher not know the respondent's IP address, but there was no way to identify respondents individually, as every potentially identifiable demographic question provided the opportunity to answer "I prefer not to answer." The data accessed from SurveyMonkey.com included only the numerical responses available. In addition, only the researcher was able to access the numerical survey information and the responses were not individually identifiable. The data and drafts were stored in an offsite, secure location. Because the issues at the organization were so personal and poignant to the respondents, there was a need to protect confidentiality to encourage accurate responses, but even utilizing a confidential survey, there were potential problems with full disclosure. The researcher also worked to make sure the research was not disruptive to normal workplace activities by requesting and obtaining permission from the organization's leadership.

As of the time the research was collected (September 2014), the university employed roughly 250 individuals in administrative, faculty (part and full-time – annual contract, tenured, tenure-track, and adjunct), and staff positions. Per Israel (2009), a population of approximately 250 demands 154 responses for a 5% confidence level. These calculations were derived from Cochran's (1963) sampling equations. As the sample population in this research included all currently employed individuals at the university in faculty, staff, and administrative positions, all individuals that were employed at the time when the surveys were announced were potential sources of data. Because of the nature of the major research question, asking whether *current* faculty, staff, and members of administration (who may or may not be considered "managers") perceived that the entity and leadership had demonstrated a process/path illustrative of a turnaround, this research did not investigate the perspectives of those individuals that had exited the organization. Therefore, this issue certainly limited the responses to individuals that may be location-bound, could not find an alternative position elsewhere, or those that might be especially dedicated to improving the organization, skewing the data. While there has been substantial turnover at the university since the 2011-2012 academic year and forward, as the study aimed to ascertain turnaround as understood by current employees, the opinions of the faculty, staff, and administrative members that were presently at the university were investigated. While respondents may not have been employed at the university during the 2011-2012 academic year or before, this study was a snapshot in time to determine if the entity was on a path towards a turnaround according to current employees. As achieving the proper response rate was challenging, see "Procedures" below, modeled after Dillman, Smyth, and Christian's (2009) tailored design method.

Measures

The measure (instrument) utilized for this research was the *Turnaround Management Strategies in Local Authorities* (Beeri, 2009). The instrument was vetted by prior research and proper permissions were obtained from the original author (see Appendix C). The measure utilized a Likert-like scale and its validity was tested by the individual researcher that created it (See “Instrument Reliability and Validity” below).

In addition, demographic questions such as gender, age, tenure at the university, department, position, and other relevant questions were asked in the survey, but were not required to be completed in order to use the data. Therefore, if the respondents answered the survey in its entirety but entered “I prefer not to answer” to the various demographic questions, their responses were not excluded from the data. By providing the choice of “I prefer not to answer” to every demographic question, it was possible to protect respondents’ responses, confidentiality, and identities, even from the researcher, through SurveyMonkey.com. While this was as a weakness in that full demographic information might not be available for every respondent, this loss was acceptable to protect the respondents from risk and potential harm. Because the research was executed through an anonymous survey instrument via SurveyMonkey.com, the researcher received only numerical results with no identifying personal information, and affirmed that fact to the respondents in the request for participation letter and follow-up emails.

Procedure

Because this research was undertaken at the researcher’s place of employment, the researcher approached the university’s management to request permission to conduct the study and the University’s Institutional Review Board. Once the proper permissions were obtained, the SurveyMonkey.com web link that combined the demographic questions and instrument was distributed to faculty, staff, and administrative members via the researcher's personal email address. The invitation to participate in the survey was distributed to faculty, staff, and administration via an email explaining the rationale of the research, procedures, and process (see Appendix B: Statement of Informed Consent and Communications). In addition, the invitation included the web address to access the survey. The emailed letter detailed the purpose of the survey and its importance, as well as provided a statement of thanks and contact information for the researcher for debriefing (see Appendix B: Statement of Informed Consent and Communications). In addition, the letter also provided an invitation to receive an appreciation gift (Dillman, Smyth, & Christian, 2009). The appreciation gift was the option for all participants to receive a $15 gift card to either the university bookstore or Amazon.com. Once the initial invitational letters were sent to the university faculty, staff, and administration via the researcher's personal email address, follow-up e-mails were sent weekly for four weeks to encourage additional responses (see Appendix B: Statement of Informed Consent and Communications and Communications). Due to the state open records laws in which the site is located, the researcher emailed the survey link, letter, and follow-up communications from a personal email address using email addresses for participants obtained from the university's website.

Data Collection and Analysis

Once the responses were collected via SurveyMonkey.com, various statistical methods were used to assess the results to determine potential relationships within the data – regression and correlation, among others. Based on the wealth of information that was collected utilizing the instrument and demographic data, the mean was taken to find the measure of central tendency of the various instruments. The responses were analyzed using a number of different statistics in several phases to ascertain the various relationships and facets of the survey results, including determining the central tendency of the Likert-type scales, analyzing associations using Pearson's Coefficient, relationships through regression and correlation, as well as exploring differences using T-tests and ANOVAs. Utilizing the Pearson's Correlation Coefficient, the research determined any relevant associations, and ANOVA and multiple regression searched for relevant relationships between trust, turnarounds, and ethical leadership. The level of data provided on the survey instrument through SurveyMonkey.com also influenced what type of statistics were significant and the researcher determined the specifics once the available results were compiled.

Instrument Reliability and Validity

The instrument was combined with demographic questions in the same link to allow for a more seamless process of completion for respondents in a single instance. The surveys were executed through SurveyMonkey.com, a reliable service commonly used to execute quantitative research. Because the data was secured via login/password available only to the researcher, the responses were protected to assure confidentiality. Because the instrument was previously created by other researchers and remained unmodified, the researcher was able to rely upon the validity and reliability, as established by other academics, without pilot testing (Creswell, 2009). Zikmund (1994) provided that the reliability of instruments is classified as "the measuring instrument's ability to provide consistent results in repeated uses" (p. 293). Creswell (2009) defined an instrument's validity as being able to "draw meaningful and useful inferences from scores on the instruments" (p. 149). Traditionally, Cronbach's Alpha measures consistency and reliability and the academy provides that values greater than 0.70 are considered sufficient (Nunnally & Berstein, 1994; Salkind, 2003).

The *Turnaround Management Strategies in Local Authorities* survey used a five-point Likert-scale to ask if organizations executed various strategies in retrenchment, repositioning, and reorganization, and to what extent management utilized these strategies as perceived by respondents (employees) (Beeri, 2009). Beeri (2009) used Exploratory Factor Analysis to assess the new scale, establishing factorability through the Kaiser-Meyer-Oklin (KMO) test. The KMO yielded 0.810, greater than the recommended 0.60, with sufficient statistical significance ($p < 0.001$) (Beeri, 2009). Beeri (2009) also assessed the instrument using the Spearman-Brown Correlation, yielding 0.88 with reasonable correlations from 0.45 to 0.87. In addition, the instrument yielded a Cronbach's Alpha score of 0.89 overall with specific elements ranging from 0.54 and 0.87, "reveal[ing] moderate to high consistency among respondents' scores so the scale is plausible and coherent" (Beeri, 2009, p. 134). These tests support Beeri's (2009) results of reliability and validity.

Turnaround Management Strategies in Local Authorities Scale (Beeri, 2009)

Correlation matrix for TMSLA factors (Cronbach's alpha in parentheses).

Factor No.	Mean	SD	1	2	3	4	5	6	7	8
1. Reorganization at the institutional level	4.08	0.71	(0.870)							
2. Retrenchment of services	2.58	0.89	0.015	(0.740)						
3. Repositioning as reaching out	3.35	0.79	0.541	0.018	(0.820)					
4. Reorganization as extent of centralization	2.90	0.63	0.099	0.196	0.385	(0.620)				
5. Repositioning as innovative services	3.64	0.73	0.544	0.231	0.673	0.356	(0.860)			
6. Retrenchment of expenditures	2.70	0.61	0.047	0.353	0.057	0.047	0.283	(0.560)		
7. Repositioning as renewing relationship	3.22	0.58	0.626	0.210	0.685	0.257	0.599	0.157	(0.540)	
8. Reorganization at the personnel level	4.00	0.89	0.239	0.192	0.155	0.294	0.204	0.180	0.189	(0.690)

N = 83–85.

$p < 0.01$. One item was reversed for the Cronbach's alpha procedure. $p < 0.05$.

Assumptions, Limitations, and Delimitations

As this research was undertaken in a single small, regional, public university, the researcher made the initial assumption that the respondents would understand the questions asked, as well as provide honest and accurate responses. While this research was strictly anonymous, the researcher also assumes that respondents believed that it was anonymous and would answer questions truthfully, valuing the intent and its purpose.

The first delimitation of this research was the intentional narrowing of the scope of the population to those currently employed at the single university. As these issues were unique to the organization at a specific time, the setting and time of the study were narrowly focused in both categories. While the researcher worked to gather as much data as possible through publicized documentation and survey results, the final outcome of the organization's turnaround will likely take a number of years beyond the study to complete. Therefore, this study was a snapshot of a moment in time at the institution.

The limitations of this study included general weaknesses in the survey methodology. Though the researcher has taken care to use established instruments that are found to be reliable and valid, findings may not be generalizable outside of the chosen population. As the surveys were substantial in nature, requiring approximately 15-30 minutes to complete, there is a risk of survey fatigue. To mitigate this risk and encourage the most important questions on the instruments were answered, the demographic questions were placed after the major instrument. Low response rates and incomplete responses are also inherent weaknesses of the survey methodology. The researcher attempted to mitigate this limitation by garnering public support from the organization's Office of Academic Affairs to encourage participation (see "Procedure" below).

Another limitation of this research is the fact that participants were those individuals currently employed at the university, likely skewing the research data. As a number of individuals left the university between the time of the ethical breach and the time of this research, the responses were skewed as to the opinions and perceptions of those currently employed. Because of the nature of the major research question, asking whether *current* faculty, staff, and members of administration (who may or may not be considered "managers") perceived that the entity and leadership had demonstrated a process/path illustrative of a turnaround, this research did not investigate the perspectives of those individuals that left the organization. Therefore, this issue certainly limited the responses to individuals that may be location-bound, could not find an alternative position elsewhere, or those that might be especially dedicated to improving the organization. In addition, members of the university that arrived since the breach may not view the turnaround in the same light as those employees that have been at the institution for a longer period, however, due to the potential ethical risks involved, employment length at the university was not investigated.

The potential ethical risk of discomfort to the respondents also existed. To mitigate, the researcher received approvals from both the George Fox University and organizational Institutional Research Boards. In addition, because the issues at the entity were so personal and poignant to the respondents, there was the potential for both discomfort and inconvenience to the respondents. The survey instrument was designed to look at the improvements at the university, but could have brought up unpleasant memories of the university's downturn as well as created feelings of organizational pressure, biasing the responses. Because the past issues may have resulted in feelings of uncertainty about the future, it was necessary to protect respondents' identities and confidentiality. The respondents were also given an 'out' if they do not want to complete the survey, protecting the respondents. In addition, certain questions such as "when did you start working for the university," "are you tenured," and various other potentially identifiable demographic questions were not asked as they were prohibited by the organization's Institutional Research Board (A. Stark, personal communication).

In addition, there existed an inherent risk of researcher bias as the researcher is employed at the organization under study (see Role of the Researcher below). Because of the imperative need to mitigate and guard against researcher bias, the researcher chose to engage in a quantitative study with established instruments. The identities and positions of all respondents were obscured to all users, including the primary researcher, and the data were provided in a statistical/numerical form. There were no personal connections or assessments with the respondents. In addition, all results were assessed and vetted by the Chair of the researcher's dissertation committee, the committee, and an external reviewer.

Given that the study focused on a single population, bounded by unique experiences, generalization may not be appropriate. Instead, it is up to the reader of the research to determine how much or which elements of this study are generalizable to other situations. The specific market and issues were unique to the organization at that point in time, though the potential exists for other universities and colleges in the future to find themselves in similar situations. While the existing research substantiates and supports the theories of ethical turnarounds and organizational course change, the concepts may not be applicable to all institutions of higher education. Therefore, the results may not be replicable in other cases or to the populations of other educational institutions.

Role of the Researcher

The role of the researcher was a challenging element of this research, creating strategic, ethical, and personal issues. It is important to note that the researcher in study was not only involved in the research, but was employed by the organization during the research. As an Assistant Professor of Accounting at the organization under study, the researcher began her employment with the organization in the fall of 2009, two academic years prior to the 2011-2012 academic year when many of the issues came to light. The researcher was reasonably acquainted with the issues that inspired the organizational change; however, the challenge was to mitigate researcher bias (see "Limitations and Delimitations" above). This mitigation was completed by utilizing the researcher's committee, Chair, and external individuals as reviewers.

Chapter 4: Results

Overview of the Study

The purpose of this research was a quantitative study to investigate if current university faculty, staff, and administrative members perceived that the organizational entity and its leadership have demonstrated a process/path illustrative of a turnaround as measured by responses to the *Turnaround Management Strategies in Local Authorities* (Beeri, 2009). This study was executed through an online survey submitted via university email from September 1-19, 2014. In addition, this survey was executed to determine if various other relationships existed.

Chapter 4 describes the data and results of the online survey as well as the later collection and analyses of the variables proposed in Chapter 3 to answer the research question and hypotheses. Chapter 4 begins with a discussion regarding missing data, a descriptive examination of the statistics, and continues with an analysis of each of the hypotheses proposed. Because reviewing both the hypotheses and the research question aids in understanding the statistical results, the results are grouped as specific inquiries around the hypotheses with graphics and visual support. This analysis and supporting information substantiated the discussion provided in the following chapter.

The survey was opened on September 1, 2014. From September 1 to September 19, the researcher sent a series of emails to the faculty, staff, and administrative members of the university under study (see Appendix A: Respondent Solicitation for this information). During this time frame, reminder emails were sent to participants weekly until the required number of responses were achieved. Of the 249 employees listed on the phone directory on the university's website, 163 responded to the survey within the time frame. However, not all respondents answered every question of the survey, and "skipped" questions ranged from 1-18 respondents per question. Removing "I prefer not to answer" and "Not Applicable" from the data provided 'n' values ranging from 98-151. The reasons the data was incomplete and/or missing may be because of survey fatigue as more questions were skipped towards the end. In addition, based upon the frequency of responses ('5' is "to a very large extent," and '4' is "somewhat"), 93.1% of respondents (135 of 145 valid responses) agreed that the university the events were a major violation of trust. As a result, individuals may have chosen not to respond due to a lack of trust in the survey, concern for confidentiality, or lack of anonymity if the researcher was able to determine individual responses.

Table 1

How Major was the Violation of Trust

		How major was the violation of trust?			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	2.4	2.8	2.8
	2	3	1.8	2.1	4.8
	3	3	1.8	2.1	6.9
	4	28	17.1	19.3	26.2
	5	107	65.2	73.8	100.0
	Total	145	88.4	100.0	
Missing	0	18	11.0		
	System	1	.6		
	Total	19	11.6		
Total		164	100.0		

Description of Statistical Tests Used

Two major statistical tests were used to analyze the data and test the hypotheses. The following is a brief description of the tests.

Descriptive statistics and frequencies.

Descriptive statistics are important in data analysis to understand the foundation of all other statistics. This analysis includes finding the measure of central tendency, therefore the mean, or average of the data set (Newton & Rudestam, 1999). The following analysis is also heavily reliant upon determining the frequency of responses, therefore determining how many participants provided a specific response to a question (Newton & Rudestam, 1999). In addition, descriptive statistics are also dependent on standard deviation, which is calculated by squaring the variance of the population to determine the normal spread of the data (Newton & Rudestam, 1999).

Findings

There are several formats that represent the quantitative results of the survey study.

Participant/Sample information.

Of the 249 employees at the small, public, regional university, 163 faculty, staff, and administrative employees responded to the survey. These replies resulting in a very high response rate, far above the more common 10-15%. This response rate of just over 65% is likely due to a combination of factors, including strong backing from university employees, upper administrative support, and the thank you gift of the $15 gift certificate for willing participants. This extraordinary response rate indicates a particular interest and support in the research from the population overall. The demographic information of those 163 participants is as follows.

Gender. The majority of respondents to the survey were women. As the population is roughly 57% woman (142 of 249 total employees) and 43% men (107 of 249 employees), this is not unexpected. Overall, 32 individuals did not answer this demographic question (14 – I prefer not to answer and 18 – skipped), 19.6% of the participants (32 of 163 total responses).

Table 2

Percentage of Respondents by Gender

What is your gender?		
Answer Options	**Response Percent**	**Response Count**
Male	36.6%	53
Female	53.8%	78
I prefer not to answer	9.7%	14
	answered question	**145**
	skipped question	**18**

Age. Of the 163 participants, 32 individuals either preferred not to answer or skipped the question, roughly 19.6% of respondents. No data was known prior to the research regarding the ages of the population, only that there was a wide span from the youngest members of the organization to the oldest.

Table 3

Percentage of Respondents by Age

What is your age?		
Answer Options	**Response Percent**	**Response Count**
Younger than 20	0.0%	0
21-30	10.8%	16
31-40	18.9%	28
41-50	20.3%	30
51-60	27.0%	40
older than 60	11.5%	17
I prefer not to answer	11.5%	17
	answered question	**148**
	skipped question	**15**

Education. The university's phone directory posted on its website (reference redacted here to protect the anonymity of the site) reflected that approximately 17.7% of the university were referred to as "doctor" in their public listing, indicating that those individuals with terminal degrees responded to the survey at a higher rate than other education groups as 37 individuals responded that classified themselves as having a terminal degree, yet 44 were listed as "doctor" in the public directory. Other educational information regarding the entire population was unknown, but as the population in question was a university, it can be inferred that the population was reasonably well educated. In addition, a total of 28 respondents of the 163 chose not to provide information about the level of their education as 13 respondents preferred not to answer and 15 skipped the question entirely.

Table 4

Percentage of Respondents by Level of Education

What is the highest level of education you have completed?		
Answer Options	**Response Percent**	**Response Count**
Some high school	0.7%	1
High school graduate or equivalent	1.4%	2
Some college	9.5%	14
Bachelor's degree	22.3%	33
Master's degree	32.4%	48
Terminal/Doctoral degree	25.0%	37
I prefer not to answer	8.8%	13
	answered question	**148**
	skipped question	**15**

Position at the university. As some members of the university under study fulfilled multiple rolls within the organization, participants were instructed to identify their position as closely as possible with their main function at the university. Those individuals that identified themselves as completely or mostly administrative were those individuals that consider themselves to be members of university administration as upper-level individuals that are responsible for managing the university, at least in part. Participants that identified as half administrative and half faculty are usually department chairs that carry a half time teaching load and half time management load. Completely or mostly faculty respondents are those individuals that are mostly teaching, while staff members are those that are largely supporting the function of the university in every other capacity besides teaching. While there are some faculty members that have release time on their contracts and staff members that also teach one or two classes as an adjunct, respondents self-selected the option as to how they spend most of their time at the university completing their duties. Another important factor to note is that participants were not asked if they were tenured or not. This question was discussed with members of the Institutional Research Board in the university under study before the IRB permissions were sought. Due to the requirement to protect the university employees with all possible confidentiality and anonymity, the Institutional Review Board chair rejected allowing the research to include questions on tenure.

Table 5

Percentage of Respondents by Position at the University

Which of the following best describes your position?		
Answer Options	**Response Percent**	**Response Count**
Completely/Mostly Administrative	16.1%	24
Half Administrative/Half Faculty	8.7%	13
Completely/Mostly Faculty	36.2%	54
Completely/Mostly Staff	30.9%	46
I prefer not to answer	8.1%	12
	answered question	**149**
	skipped question	**14**

Department at the university. The university under study is separated into various functional units. As some employees worked in multiple departments or under several roles, the employee was asked to identify with the department/area in which he or she works with the most. Academically, the university is split into two colleges – the College of Arts and Sciences (CAS) (65 employees) and the College of Education, Business, and Applied Sciences (CEBAS) (64 employees). The areas of music, language, literature, natural sciences, mathematics, computer science, fine arts, performing arts, and the social sciences are all housed within CAS. The 40 of 65 employees from the College of Arts and Sciences provides a 61.5% response rate. Business, education, agriculture, health, and nursing are within CABAS. Thirty-three of 64 employees in the College of Education, Business, and Applied Sciences responded, providing a 51.5% response rate. (A. Stark, personal knowledge)

Finance and Administration, as managed by the Vice President of Finance and Administration, handles business affairs, human resources, information technology, and facility operations and had 49 employees at the time the survey was completed (custodians, power plant, groundskeepers, etc.). As only 10 of the 49 employees in the Finance and Administration division responded, this area had the lowest response rate of 20.4%. The division of Student Development governs campus programming, residential life, security, student health services, and career development (7 employees). Student Development had a response rate of 57.1% with 4 of 7 employees completing the survey. Enrollment Services and Communications is in charge of student enrollment, via admissions, financial aid, communications, and international programs with 16 employees. The 7 of 16 employees from the Enrollment Services and Communications division provided a response rate of 43.75%. The administrative departments under the Vice President of Academic Affairs include the library, student academic success programs, institutional research, distance education, academic records, and the honors leadership program (28 employees). Eleven of 28 employees in Academic Affairs responded to the survey, providing a response rate of 39.3%. Athletics report directly to the president of the university and includes all coaches and trainers of all sports as well as the sports marking director (7 employees). Four of 7 employees in Athletics responded to the survey, providing a 57.1% response rate. Other positions that report directly to the president included the director and staff of the university's center for entrepreneurship and innovation as well the university's digital library program (13 employees). Of the 13 employees that report to the president or are under the president, 12 responded, providing the highest response rate of 92.3%. In addition, of the roughly 163 participants, 27.6% of respondents did not provide information on this question as calculated by adding those individuals that preferred not to answer (31 individuals) or skipped the question (14 individuals), perhaps out of concern for anonymity. Based on this information, it is possible that a departmental bias existed, especially as a very high response rate was from individuals under the president, but far less from the area of Finance and Administration. In addition, CAS had a substantially higher response rate than CEBAS, even though the number of employees was quite similar. (A. Stark, personal knowledge)

Table 6

Percentage of Respondents by University Departments

Which of the following best describes your department?		
Answer Options	**Response Percent**	**Response Count**
College of Arts and Sciences (Dean or under Dean of CAS)	26.8%	40
College of Education, Business, and Applied Sciences (Dean or under Dean of CEBAS)	22.1%	33
Finance and Administration (VP or under Vice President of Finance & Admin)	6.7%	10
Student Development (VP or under Vice President of Student Development)	2.7%	4
Enrollment Services and Communications (ED or under Executive Director of Enrollment Services and Communications)	4.7%	7
Position within Academic Affairs (VPAA or under VPAA)	7.4%	11
Athletics (Director or under Director of Intercollegiate Athletics)	2.7%	4
Other position (President or other positions that report directly to the President)	8.1%	12
I prefer not to answer	20.8%	31
	answered question	**149**
	skipped question	**14**

Managerial role at the university. Participants were asked about their roles in university management to understand how the different layers of responsibility influenced their perspectives and perceptions of the process of organizational turnaround. Of the 163 responses, a total of 37 individuals chose not to provide information regarding their managerial roles at the university (23 – I prefer not to answer and 14 – skipped), therefore 22.7% of total responses.

Table 7

Percentage of Respondents by Managerial Role

Which of the following best describes your managerial role at the university?		
Answer Options	**Response Percent**	**Response Count**
Upper or middle management (Ex. Dean/Director or above)	6.7%	10
Junior management (Ex. Assist Director/Department Chair, etc.)	14.1%	21
Do not manage other employees (not including work study students)	63.8%	95
I prefer not to answer	15.4%	23
	answered question	**149**
	skipped question	**14**

On campus events attended at the university. This question was asked to determine how active participants were on campus in extracurricular events such as sporting events, plays, theater, concerts, symposiums, and all other events on campus that support the campus community. Overall, 24 of the 163 respondents decided not to respond to this question, roughly 14.7% of the overall sample (10 – I prefer not to answer, 14 – skipped).

Table 8

Percentage of Respondents by Level of Participation in Extracurricular Activities

How do you describe your level of participation in extracurricular activities on campus? On average, I attend an average of ______ on campus events ex. sporting events, celebrating the arts, symposiums, etc. per MONTH:		
Answer Options	**Response Percent**	**Response Count**
More than 5 per month	14.1%	21
Average of 5 per month	4.0%	6
Average of 4 per month	5.4%	8
Average of 3 per month	12.8%	19
Average of 2 per month	24.8%	37
Average of 1 per month	18.1%	27
Average of less than 1 per month	14.1%	21
I prefer not to answer	6.7%	10
	answered question	**149**
	skipped question	**14**

Hours/Week doing job at the university on campus. The population at the university under study has undergone major changes since the initial public breach of ethics (A. Stark, personal knowledge). There has been substantial turnover and employees are working quite hard covering multiple duties and sometimes even positions (A. Stark, personal knowledge). Anecdotally, the population has been working very hard. The respondents' responses agree with the researcher's personal experience as 56.4% of participants indicated that they worked more than 40 hours per week on campus. As 11% of respondents chose not to answer (3 – I prefer not to answer, 15 – skipped), this question had the highest response rate of the demographic questions.

Table 9

Percentage of Respondents by Number of Hours Worked on Campus

How do you describe the number of hours per week you spend ON CAMPUS executing your specific job duties? An average of:		
Answer Options	**Response Percent**	**Response Count**
More than 50 hours per week during the traditional school year.	18.2%	27
46-50 hours per week during the traditional school year.	14.2%	21
41-45 hours per week during the traditional school year.	29.7%	44
36-40 hours per week during the traditional school year.	13.5%	20
31-35 hours per week during the traditional school year.	4.7%	7
26-30 hours per week during the traditional school year.	7.4%	11
21-25 hours per week during the traditional school year.	2.7%	4
16-20 hours per week during the traditional school year.	4.1%	6
11-15 hours per week during the traditional school year.	0.7%	1
10 hours or less per week during the traditional school year.	2.7%	4
I prefer not to answer	2.0%	3
	answered question	**148**
	skipped question	**15**

Hours/Week doing job at the university off campus. As provided above, the campus community of the university under study is working diligently to execute their duties. The respondents provided that 59.5% of participants are working 15 hours per week or less off campus completing their obligations. However, 24 of the 163 respondents (14.7%) chose not to answer this question (9 – I prefer not to answer, 15 – skipped).

Table 10

Percentage of Respondents by Hours Worked Off Campus

How do you describe the number of hours per week you spend OFF CAMPUS executing your specific job duties? An average of:		
Answer Options	**Response Percent**	**Response Count**
More than 50 hours per week during the traditional school year.	0.7%	1
46-50 hours per week during the traditional school year.	0.7%	1
41-45 hours per week during the traditional school year.	0.7%	1
36-40 hours per week during the traditional school year.	1.4%	2
31-35 hours per week during the traditional school year.	2.0%	3
26-30 hours per week during the traditional school year.	3.4%	5
21-25 hours per week during the traditional school year.	7.4%	11
16-20 hours per week during the traditional school year.	12.2%	18
11-15 hours per week during the traditional school year.	18.9%	28
10 hours or less per week during the traditional school year.	46.6%	69
I prefer not to answer	6.1%	9
	answered question	**148**
	skipped question	**15**

Descriptive statistics.

Table 11

Summation of Participants Responses Regarding Retrenchment Activities

Answer Options	Hardly at All	Very Little	Neutral	Some what	To a Very Large Extent	N/A	Rating Average	Response Count
Contracted [reduced] ac tivities and services	5	27	25	71	23	10	3.53	161
Eliminated particular services	8	26	29	64	22	11	3.44	160
Decreased service expen- ditures	3	13	28	67	34	14	3.80	159
Partially/ temporarily exited from specific services	10	14	33	62	24	12	3.53	155
Liquidated [sold] assets in order to raise capital	47	7	54	5	2	45	2.20	160
Reduced/ suspended capital expendi- tures	13	10	40	58	20	19	3.44	160
Closed down public organiza- tions	29	19	54	15	2	40	2.51	159
Created stronger financial controls	2	10	23	54	56	11	4.05	156
Decreased financial support to other organiza- tions	7	12	51	38	14	37	3.33	159
							answered question	**162**
							skipped question	**1**

Table 12

Summation of Participants Responses Regarding Repositioning Activities

Answer Options	Hardly at All	Very Little	Neutral	Some what	To a Very Large Extent	N/A	Rating Average	Response Count
Established new services	28	41	21	50	6	5	2.76	151
Entered into joint activities/ co-operated w/other agencies [or organiza-tions]	20	38	25	46	6	13	2.85	148
Extended activities & scope of services	30	39	23	46	6	5	2.72	149
Changed the priorities of traditional activities	12	13	29	67	23	5	3.53	149
Rented/sold/ mortgaged assets	31	16	46	5	1	52	2.28	151
Extended availability of services	28	39	37	31	6	8	2.63	149
Extended marketing efforts to new consumers	7	13	11	56	61	4	4.02	152
Increased service expenditure	22	27	53	21	7	17	2.72	147

Summation of Participants Responses Regarding Repositioning Activities (continued)

Answer Options	Hardly at All	Very Little	Neutral	Some what	To a Very Large Extent	N/A	Rating Average	Response Count
Modernized capacity of services with equipment utilizing new technologies	11	19	26	64	23	5	3.48	148
Began to provide services internally that were previously purchased	8	13	50	48	6	24	3.25	149
Loaned money/ asked for subvention for reorganization purposes	29	10	52	4	3	53	2.41	151
Privatized services	25	16	54	14	3	38	2.59	150
Increased average price of services/ levying money	10	13	49	41	3	33	3.12	149
Redefined core missions	12	13	21	67	22	12	3.55	147
Ensured high quality of services	10	11	24	61	39	5	3.74	150

Summation of Participants Responses Regarding Repositioning Activities (continued)

Answer Options	Hardly at All	Very Little	Neutral	Some what	To a Very Large Extent	N/A	Rating Average	Response Count
Improved the internal & external image	10	12	15	63	49	2	3.87	151
Introduced new ways of implement-tation	7	9	24	78	25	7	3.73	150
Rebuilt stakehold-ers trust in the local authority	16	13	19	65	33	5	3.59	151
							answered question	**153**
							skipped question	**10**

Table 13

Summation of Participants Responses Regarding Reorganization Activities

Answer Options	Hardly at All	Very Little	Neutral	Somewhat	To a Very Large Extent	N/A	Rating Average	Response Count
Replaced the chief executive officer	1	0	11	11	115	13	4.73	151
Changed the internal local authority structure	2	5	12	55	73	3	4.31	150
Replaced senior and middle managers	3	4	12	37	90	2	4.42	148
Took centralization steps	6	8	38	47	36	10	3.73	145
Took decentralization steps	21	25	57	18	9	17	2.76	147
Increased time and efforts in researching consumers' needs	12	19	29	62	23	4	3.45	149
Increased time and efforts in becoming a learning organization	8	14	27	65	30	5	3.66	149
Made changes in human resources management style	37	27	29	33	18	6	2.78	150

Summation of Participants Responses Regarding Reorganization Activities (continued)

Answer Options	Hardly at All	Very Little	Neutral	Somewhat	To a Very Large Extent	N/A	Rating Average	Response Count
Reshaped & improved the organizational culture and climate	17	29	20	53	27	3	3.3	149
Invested in staff skills training	11	32	35	53	16	1	3.21	148
Defined a common vision of the local authority	12	15	29	51	40	3	3.63	150
Diagnosed the local authority strengths and weaknesses	15	18	20	59	36	1	3.56	149
Formulated an organizational working plan	14	19	19	60	31	6	3.52	149
Fought the denial and resistance of employees	12	15	50	38	21	12	3.3	148
							answered question	**151**
							skipped question	**12**

Table 14

Descriptive Statistics of Turnaround Activity Responses

	n	Range	Minimum	Maximum	Mean	Std. Dev.
Contracted [reduced] activities and services	151	4	1	5	3.53	1.057
Eliminated particular services	149	4	1	5	3.44	1.105
Decreased Service Expenditures	144	4	1	5	3.80	.972
Partially/temporarily exited from specific services	142	4	1	5	3.55	1.082
Liquidated [sold] assets in order to raise capital	115	4	1	5	2.20	1.086
Reduced/suspended capital expenditures	141	4	1	5	3.44	1.111
Closed down public organizations	119	4	1	5	2.51	1.049
Created stronger financial controls	145	4	1	5	4.05	.974
Decreased financial support to other organizations	122	4	1	5	3.33	1.000
Established new services	146	4	1	5	2.76	1.228
Entered into joint activities/co-operated with other agencies [or organizations]	135	4	1	5	2.85	1.175
Extended activities and scope of services	144	4	1	5	2.72	1.233
Changed the priorities of traditional activities	144	4	1	5	3.53	1.122
Rented/sold/mortgaged assets	99	4	1	5	2.28	1.000
Extended availability of services	141	4	1	5	2.63	1.155
Extended marketing efforts (reaching out) to new consumers	148	4	1	5	4.02	1.128
Increased service expenditure	130	4	1	5	2.72	1.093
Modernized capacity of services with equipment utilizing new technologies	143	4	1	5	3.48	1.144
Began to provide services/internal services that were previously purchased	125	4	1	5	3.25	.939

Descriptive Statistics of Turnaround Activity Responses (continued)

	n	Range	Mini-mum	Maxi-mum	Mean	Std. Dev.
Loaned money/asked for subvention [aid or support] for reorganization purposes	98	4	1	5	2.41	1.054
Privatized Services	112	4	1	5	2.59	1.053
Increased average price of services/levying money	116	4	1	5	3.12	0.952
Redefined core missions	135	4	1	5	3.55	1.144
Ensured high quality of services	145	4	1	5	3.74	1.141
Improved the local authority's internal and external image	149	4	1	5	3.87	1.16
Introduced new ways of implementation	143	4	1	5	3.73	0.985
Rebuilt stakeholders trust in the local authority	146	4	1	5	3.59	1.241
Replaced the chief executive officer	138	4	1	5	4.73	0.668
Changed the internal local authority structure	147	4	1	5	4.31	0.865
Replaced senior and middle managers	146	4	1	5	4.42	0.908
Took centralization steps	135	4	1	5	3.73	1.059
Took decentralization steps	130	4	1	5	2.76	1.098
Increased time and efforts in researching consumers' needs	145	4	1	5	3.45	1.154
Increased time and efforts in becoming a learning organization	144	4	1	5	3.66	1.085
Made changes in human resources management style	144	4	1	5	2.78	1.381
Reshaped and improved the organizational culture and climate	146	4	1	5	3.3	1.299
Invested in staff skills training	147	4	1	5	3.21	1.13
Defined a common vision of the	14	4	1	5	3.63	1.218

local authority	7					
Diagnosed the local authority strengths and weaknesses	14 8	4	1	5	3.56	1.263
Formulated an organizational working plan	14 3	4	1	5	3.52	1.244

Descriptive Statistics of Turnaround Activity Responses (continued)

	n	Range	Mini-mum	Maxi-mum	Mean	Std. Dev.
How major was the violation of trust	145	4	1	5	4.59	0.862
Rating the "success" of the turnaround to date	148	4	1	5	4	1.1
Valid n (listwise)	98					

Pearson's correlation coefficient.

Correlation is an important type of statistical analysis that focuses upon the strength and/or direction of a relationship between two variables (Newton & Rudestam, 1999). As a result, the analysis explains whether two variables are related, how strongly, and even how the variables are connected. The relationship is reported as a correlation coefficient somewhere between 0.0 and 1.0 for positive correlations and 0.0 to -1.0 for negative correlations (Dancey & Reidy, 2004). For the purpose of this research, the analysis used Dancey and Reidy's (2004) categorization about the strength of the correlation. Therefore a correlation coefficient of 1.0 is considered a perfect correlation, therefore an exact relationship between the variables (Dancey & Reidy, 2004). Dancey and Reidy (2004) defined a strong correlation as a relationship of 0.7 to 0.9, which can also be listed as 70-99%. A moderate correlation is from 0.4 to 0.6, providing the strength of the relationship of 40-69% (Dancey & Reidy, 2004). A weak relationship or weak correlation is calculated as 0.1 to 0.3, therefore roughly 10-39% (Dancey & Reidy, 2004). If the correlation coefficient is roughly 0 or less then 0.1, there is no relationship between the variables (Dancey & Reidy, 2004). A negative relationship utilizes the same correlation coefficients, but has negative values (Dancey & Reidy, 2004). Therefore, if a negative correlation exists, when one variable increases, the other decreases – the relationship moves in opposite directions. The significance is determined by whether the population correlation coefficient is different from the calculated correlation coefficient. For a correlation to be considered statistically significant, it must be at least 0.05 or smaller (Newton & Rudestam, 1999).

Hypothesis 1 – Accepted.

Hypothesis 1 stated that a positive correlation existed between a perception of turnaround in reorganization activities and all faculty, staff, and administrative employees. This hypothesis served to test the assumption that Reorganization Activities had a mutual relationship and connection with the faculty, staff, and administration's perception of the "success" of the turnaround to date at the university in question. These activities included: replaced the chief executive officer, changed the internal local authority structure, replaced senior and middle managers, took centralization steps, took decentralization steps, increased time and efforts in researching consumers' needs, increased time and efforts in becoming a learning organization, made changes in human resources management style, reshaped and improved the organizational culture and climate, invested in staff skills training, defined a common vision of the local authority, diagnosed the local authority strengths and weaknesses, formulated an organizational working plan, and fought the denial and resistance of employees (Beeri, 2009). The full correlation matrix (See Appendix F: Additional Statistical Tables and Matrices) illustrates the relationships between the individual activities and the perception of the "success" of the turnaround. Several of the different activities showed statistically significant correlations to each other. Items with statistically strong correlation, therefore 0.7-0.9 or better per Dancey and Reidy (2004) included:

Table 15

Hypothesis 1: Strong Correlations

		Defined a common vision of the local authority	Diagnosed the local authority strengths & weaknesses	Formulated an organizational working plan
Defined a common vision of the local authority	Pearson Correlation		**.774****	**.739****
	Sig.(2-tailed)		.000	.000
	n		146	143
Diagnosed the local authority strengths and weaknesses	Pearson Correlation	**.774****		**.799****
	Sig.(2-tailed)	.000		.000
	n	146		143
Formulated an organizational working plan	Pearson Correlation	**.739****	**.799****	
	Sig.(2-tailed)	.000	.000	
	n	143	143	

Note.
**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Activities with statistically significant moderate correlation with strengths of the correlation ranging from 0.4-0.6 per Dancey and Reidy (2004) included:

Table 16

Hypothesis 1: Moderate Correlations

		Replaced the chief executive officer	Changed the internal local authority structure	Replaced senior and middle managers	Took centralization steps
Replaced the chief executive officer	Pearson Correlation		.467**	.559**	.278**
	Sig. (2-tailed)		.000	.000	.002
	n		136	136	125
Changed the internal local authority structure	Pearson Correlation	.467**		.658**	.409**
	Sig. (2-tailed)	.000		.000	.000
	n	136		144	134
Replaced senior and middle managers	Pearson Correlation	.559**	.658**		.462**
	Sig. (2-tailed)	.000	.000		.000
	n	136	144		133
Took centralization steps	Pearson Correlation	.278**	.409**	.462**	
	Sig. (2-tailed)	.002	.000	.000	
	n	125	134	133	

Note.
**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Hypothesis 1: Moderate Correlations (Continued)

		Increased time and efforts in researching consumers' needs	Increased time and efforts in becoming a learning organization	Made changes in human resources management style	Reshaped and improved the organizational culture and climate
Changed the internal local authority structure	Pearson Correlation	.333**	.285**	.258**	.224**
	Sig. (2-tailed)	.000	.001	.002	.007
	n	144	143	143	143
Replaced senior and middle managers	Pearson Correlation	.308**	.237**	.208*	.186*
	Sig. (2-tailed)	.000	.005	.013	.026
	n	142	141	141	143
Took centralization steps	Pearson Correlation	.201*	.220*	.252**	
	Sig. (2-tailed)	.020	.011	.004	
	n	134	133	131	

Note.
**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Hypothesis 1: Moderate Correlations (Continued)

		Invest-ed in staff skills traini-ng	Defined a comm-on vision of the local authori-ty	Diagnosed the local authority strengths and weaknesses	Formulated an organization-al working plan	Rating the "success" of the turnarou-nd to date
Changed the internal local authority structure	Pearson Correlation	.274**	.343**	.238**	.210*	.252**
	Sig. (2-tailed)	.001	.000	.004	.012	.002
	n	145	146	146	142	145
Replaced senior and middle managers	Pearson Correlation	.200*	.301**	.243**	.229**	.282**
	Sig. (2-tailed)	.017	.000	.003	.006	.001
	n	143	145	145	141	144
Took centraliz-ation steps	Pearson Correlation	.210*	.243**			.221*
	Sig. (2-tailed)	.015	.005			.011
	n	134	135			133

Note.
**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Hypothesis 1: Moderate Correlations (Continued)

		Changed the internal local authority structure	Replaced senior and middle managers	Took centralization steps	Took decentralization steps	Increased time and efforts researching consumers' needs	Increased time and efforts in becoming a learning organization
Took decentralization steps	Pearson Correlation					.364**	.252**
	Sig. (2-tailed)					.000	.004
	n					129	128
Increased time and efforts in researching consumers' needs	Pearson Correlation	.333**	.308**	.201*	.364**		.631**
	Sig. (2-tailed)	.000	.000	.020	.000		.000
	n	144	142	134	129		143
Increased time & efforts in becoming a learning organization	Pearson Correlation	.285**	.237**	.220*	.252**	.631**	
	Sig. (2-tailed)	.001	.005	.011	.004	.000	
	n	143	141	133	128	143	
Made changes in HR mgmt style	Pearson Correlation	.258**	.208*	.252**	.284**	.422**	.440**
	Sig. (2-tailed)	.002	.013	.004	.001	.000	.000
	n	143	141	131	127	140	139

Note.
**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Hypothesis 1: Moderate Correlations (Continued)

		Made changes in human resources management style	Resha-ped & impro-ved the organ-izatio-nal cultu-re & clima-te	Invest-ed in staff skills traini-ng	Defin-ed a comm-on vision of the local autho-rity	Diagnos-ed the local authori-ty strength-s and weak-nesses	Formula-ted an organiza-tional working plan	Rati-ng the "suc-cess" of the turn-arou-nd to date
Took decentra-lization steps	Pearson Correlation	.284**	.365**		.340**	.255**	.215*	.212*
	Sig. (2-tailed)	.001	.000		.000	.003	.015	.016
	n	127	129		130	130	128	128
Increased time and efforts in research-ing consum-ers' needs	Pearson Correlation	.422**	.576**	.516**	.623**	.646**	.622**	.554**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	n	140	143	143	144	145	141	143
Increased time and efforts in becoming a learning organiza-tion	Pearson Correlation	.440**	.612**	.554**	.648**	.610**	.580**	.452**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	n	139	142	142	143	144	140	142
Made changes in human resources manage-ment style	Pearson Correlation		.536**	.506**	.387**	.314**	.340**	.300**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	n		140	141	142	143	139	142

Note.
**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Hypothesis 1: Moderate Correlations (Continued)

		Changed the internal local authority structure	Replaced senior and middle managers	Took centralization steps	Took de-centralization steps	Increased time & efforts in researching consumers' needs	Increased time and efforts in becoming a learning organization	Made changes in human resources management style
Reshaped and improved the organizational culture and climate	Pearson Correlation	.224**	.186*		.365**	.576**	.612**	.536**
	Sig. (2-tailed)	.007	.026		.000	.000	.000	.000
	n	143	143		129	143	142	140
Invested in staff skills training	Pearson Correlation	.274**	.200*	.210*		.516**	.554**	.506**
	Sig. (2-tailed)	.001	.017	.015		.000	.000	.000
	n	145	143	134		143	142	141
Defined a common vision of the local authority	Pearson Correlation	.343**	.301**	.243**	.340**	.623**	.648**	.387**
	Sig. (2-tailed)	.000	.000	.005	.000	.000	.000	.000
	n	146	145	135	130	144	143	142
Diagnosed the local authority strengths and weaknesses	Pearson Correlation	.238**	.243**		.255**	.646**	.610**	.314**
	Sig. (2-tailed)	.004	.003		.003	.000	.000	.000
	n	146	145		130	145	144	143

Note.
**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Hypothesis 1: Moderate Correlations (Continued)

		Resha-ped & impro-ved org cultu-re & clima-te	Invest-ed in staff skills traini-ng	Defin-ed a comm-on vision of the local author-ity	Diagn-osed the local author-ity streng-ths and weak-nesses	Formu-lated an organ-izatio-nal work-ing plan	Fought the denial and resist-ance of employ-ees	Rat-ing the "suc-cess" of the turn-arou-nd to date
Reshaped & impro-ved the org culture / clim-ate	Pearson Correlation		.613**	.607**	.599**	.581**		.531**
	Sig. (2-tailed)		.000	.000	.000	.000		.000
	n		143	144	145	141		144
Invested in staff skills train-ing	Pearson Correlation	.613**		.509**	.483**	.490**	.181*	.381**
	Sig. (2-tailed)	.000		.000	.000	.000	.037	.000
	n	143		145	145	141	133	145
Defined a comm vision of the local author-ity	Pearson Correlation	.607**	.509**		.774**	.739**		.493**
	Sig. (2-tailed)	.000	.000		.000	.000		.000
	n	144	145		146	143		145
Diagnosed local author-ity streng-ths/ weak-nesses	Pearson Correlation	.599**	.483**	.774**		.799**		.533**
	Sig. (2-tailed)	.000	.000	.000		.000		.000
	n	145	145	146		143		146

Note.

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Hypothesis 1: Moderate Correlations (Continued)

		Changed the internal local authority structure	Replaced senior and middle managers	Took centralization steps	Took decentralization steps	Increased time and efforts in researching consumers' needs	Increased time and efforts in becoming a learning organization	Made changes in human resources management style
Formulated an organizational working plan	Pearson Correlation	.210*	.229**		.215*	.622**	.580**	.340**
	Sig. (2-tailed)	.012	.006		.015	.000	.000	.000
	n	142	141		128	141	140	139
Fought the denial and resistance of employees	Pearson Correlation						.237**	
	Sig. (2-tailed)						.006	
	n						133	
Rating the "success" of the turnaround to date	Pearson Correlation	.252**	.282**	.221*	.212*	.554**	.452**	.300**
	Sig. (2-tailed)	.002	.001	.011	.016	.000	.000	.000
	n	145	144	133	128	143	142	142

Note.
**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Hypothesis 1: Moderate Correlations (Continued)

		Reshaped and improved the organiza-tional culture and climate	Invest-ed in staff skills train-ing	Defin-ed a comm-on vision of the local author-ity	Diagno-sed the local author-ity's strength-s and weak-nesses	Formulat-ed and organiza-t-ional working plan	Fought the denial and resist-ance of employ-ees	Rating the "succe-ss" of the turn-arou-nd to date
Formulat-ed an organi-zational working plan	Pearson Correlation	.581**	.490**	.739**	.799**			.495**
	Sig. (2-tailed)	.000	.000	.000	.000			.000
	n	141	141	143	143			142
Fought the denial and resist-ance of employ-ees	Pearson Correlation							
	Sig. (2-tailed)							
	n							
Rating the "suc-cess" of the turn-around to date	Pearson Correlation	.531**	.381**	.493**	.533**	.495**		
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
	n	144	145	145	146	142		

Note.
**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

The correlations between the various activities and rating the "success" of the perception of the turnaround to date were weakly (therefore 0.1-0.3) to moderately (therefore 0.4-0.6) correlated with statistically significant correlations ranging from 21.2% to 55.4% (Dancey & Reidy, 2004).

Table 17

Hypothesis 1: Correlations Between Activities and Success of the Turnaround

		Replaced the chief executive officer	Changed the internal local authority [DSU] structure	Replaced senior and middle managers	Took centralization steps	Took decentralization steps	Increased time and efforts in researching consumers' needs	Increased time and efforts in becoming a learning organization	Made changes in human resources management style	Reshaped and improved the organizational culture and climate	Invested in staff skills training	Defined a common vision of the local authority [DSU]	Diagnosed the local authority [DSU] strengths and weaknesses	Formulated an organizational working plan	Fought the denial and resistance of employees
Rating the "success" of the turnaround to date	Pearson Correlation	.115	.252**	.282**	.221*	.212*	.554**	.452**	.300**	.531**	.381**	.493**	.533**	.495**	-.014
	Sig. (2-tailed)	.186	.002	.001	.011	.016	.000	.000	.000	.000	.000	.000	.000	.000	.876
	N	135	145	144	133	128	143	142	142	144	145	145	146	142	134

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

The majority of the reorganization activities were positively correlated with rating the perception of the "success" of the turnaround to date.

Hypothesis 2 – Accepted.

Hypothesis 2 stated that a positive correlation existed between a perception of stronger financial controls and faculty, staff, and administrative employees, therefore that the members of the university as a whole saw an increase in financial controls across the university. Though there was no published data before regarding how many financial controls existed within the university, the perception of an increase was studied. In examining the relationship between creating stronger financial controls and faculty, staff, and administration, based upon the frequency of responses ('5' is "to a very large extent," and '4' is "somewhat"), 75.8% of respondents (110 of 145 valid responses) agreed that the university had created stronger financial controls, indicating a strong relationship (Dancey & Reidy, 2004). With a mean of 4.05 and a standard deviation of .974, the effect size is 0.97674 (rounded). Per Cohen (1988), this suggests a "large" effect size.

Table 18

Created Stronger Financial Controls

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	1.2	1.4	1.4
	2	10	6.1	6.9	8.3
	3	23	14.0	15.9	24.1
	4	54	32.9	37.2	61.4
	5	56	34.1	38.6	100.0
	Total	145	88.4	100.0	
Missing	0	18	11.0		
	System	1	.6		
	Total	19	11.6		
Total		164	100.0		

Table 19

Hypothesis 2: Descriptive Statistics

	n	Minimum	Maximum	Mean	Std. Dev.
Created stronger financial controls	145	1	5	4.05	.974
Describe your position at [the university]	149	1	5	3.06	1.170
Valid n (listwise)	137				

Table 20

Hypothesis 2: Correlations

		Created stronger financial controls	Describe your position at [the university]
Created stronger financial controls	Pearson Correlation	1	-.207*
	Sig. (2-tailed)		.015
	n	145	137
Describe your position at [the university]	Pearson Correlation	-.207*	1
	Sig. (2-tailed)	.015	
	n	137	149

Note.
*. Correlation is significant at the 0.05 level (2-tailed).

The frequency of responses indicates that the hypothesis is accepted. In examining the correlations, the statistical correlation between “Created stronger financial controls" and the "Describe your position at [the university]" were statistically significant at the 0.05 level. While there was a slight negative correlation, this is likely because of how the data was coded in SPSS. Individuals that identified as completely or mostly administrative were coded as "1," individuals that identified as half administrative and half faculty were coded as "2," individuals that identified as completely or mostly faculty were coded as "3," and individuals that identified as completely or mostly staff were coded as "4." This negative correlation indicates that while 75.8% of respondents (110 of 145 valid responses) agreed that the university had created stronger financial controls, this was noticed more by those individuals that were either part of administration or closer to administration, higher on the organizational hierarchy.

Hypothesis 3 – Accepted.

Hypothesis 3 stated that a positive correlation existed between a perception of extending new marketing efforts to new consumers and faculty, staff, and administrative employees. By examining the frequency of the responses of members of university faculty, staff, and administration ('5' is "to a very large extent," and '4' is "somewhat"), 79.0% of respondents (117 of 148 valid responses) agreed that the university had extended or increased marketing efforts to new consumers, indicating a strong relationship (Dancey & Reidy, 2004). With a mean of 4.02 and a standard deviation of 1.128, the effect size is 0.92949 (rounded). Per Cohen (1988), this suggests a "large" effect size.

Table 21

Extended Marketing Efforts (Reaching Out) to New Consumers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	7	4.3	4.7	4.7

	2	13	7.9	8.8	13.5
	3	11	6.7	7.4	20.9
	4	56	34.1	37.8	58.8
	5	61	37.2	41.2	100.0
	Total	148	90.2	100.0	
Missing	0	15	9.1		
	System	1	.6		
	Total	16	9.8		
Total		164	100.0		

Table 22

Hypothesis 3: Descriptive Statistics

	n	Minimum	Maximum	Mean	Std. Dev.
Describe your position at [the university]	149	1	5	3.06	1.170
Extended marketing efforts (reaching out) to new consumers	148	1	5	4.02	1.128
Valid n (listwise)	144				

Table 23

Hypothesis 3: Correlations

		Describe your position at [the university]	Extended marketing efforts (reaching out) to new consumers
Describe your position at [the university]	Pearson Correlation	1	-.065
	Sig. (2-tailed)		.437
	n	149	144
Extended marketing efforts (reaching out) to new consumers	Pearson Correlation	-.065	1
	Sig. (2-tailed)	.437	
	n	144	148

The frequency of responses indicates that the hypothesis is accepted. In examining the correlations, the statistical correlation between “Extended marketing efforts (reaching out) to new customers” and the “Describe your position at [the university]” was not statistically significant. While there was a slight negative correlation of 6.5%, due to the lack of sufficient statistical significance, this result is not considered valid.

Hypothesis 4 – Accepted.

Hypothesis 4 stated that a positive correlation existed between a perception of improving the local authority's internal and external image and all faculty, staff, and administrative employees. By examining the frequency of the responses of members of university faculty, staff, and administration ('5' is "to a very large extent," and '4' is "somewhat"), 75.2% of respondents (112 of 149 valid responses) agreed that the university had improved the university's internal and external image, indicating a strong relationship (Dancey & Reidy, 2004). With a mean of 3.87 and a standard deviation of 1.160 the effect size is 0.92070 (rounded). Per Cohen (1988), this suggests a "large" effect size.

Table 24

Improved the Local Authority's Internal and External Image

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	10	6.1	6.7	6.7
	2	12	7.3	8.1	14.8
	3	15	9.1	10.1	24.8
	4	63	38.4	42.3	67.1
	5	49	29.9	32.9	100.0
	Total	149	90.9	100.0	
Missing	0	14	8.5		
	System	1	.6		
	Total	15	9.1		
Total		164	100.0		

Table 25

Hypothesis 4: Descriptive Statistics

	n	Minimum	Maximum	Mean	Std. Dev.
Describe your position at [the university]	149	1	5	3.06	1.170
Improved the local authority's internal and external image	149	1	5	3.87	1.160
Valid n (listwise)	148				

Table 26

Hypothesis 4: Correlations

		Describe your position at [the university]	Improved the local authority's internal and external image
Describe your position at [the university]	Pearson Correlation	1	-.143
	Sig. (2-tailed)		.084
	n	149	148
Improved the local authority's internal and external image	Pearson Correlation	-.143	1
	Sig. (2-tailed)	.084	
	n	148	149

The frequency of responses indicates that the hypothesis is accepted. In examining the correlations, the statistical correlation between "Improved the local authority's internal and external image" and the "Describe your position at [the university]" was not statistically significant. While there was a slight negative correlation of 14.3%, due to the lack of sufficient statistical significance, this result is not considered valid.

Hypothesis 5 – Accepted & Accepted.

Hypothesis 5 stated that a moderate correlation between a perception of rebuilding stakeholder trust in the local authority and those employees considered mostly staff or mostly faculty existed. By examining the frequency of the responses of members of the university that identified their positions as completely/mostly faculty, ('5' is "to a very large extent," and '4' is "somewhat"), 75.9% of respondents (41 of 54 valid responses) agreed that the university had rebuilt stakeholder trust, indicating a strong relationship (Dancey & Reidy, 2004). With a mean of 3.59 and a standard deviation of 1.281 the effect size is 0.89277 (rounded). Per Cohen (1988), this suggests a "large" effect size.

Table 27

Rebuilt Stakeholders Trust in the Local Authority – Faculty

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	14.8	14.8	14.8
	2	3	5.6	5.6	20.4
	3	2	3.7	3.7	24.1
	4	31	57.4	57.4	81.5
	5	10	18.5	18.5	100.0
	Total	54	100.0	100.0	

By examining the frequency of the responses of members of the university that identified their positions as completely/mostly staff, ('5' is "to a very large extent," and '4' is "somewhat"), 62.2% of respondents (28 of 45 valid responses) agreed that the university had rebuilt stakeholder trust, indicating a moderate relationship (Dancey & Reidy, 2004).

With a mean of 3.62 and a standard deviation of 1.284 the effect size is 0.89385 (rounded). Per Cohen (1988), this suggests a "large" effect size.

Table 28

Rebuilt Stakeholders Trust in the Local Authority – Staff

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	10.9	11.1	11.1
	2	3	6.5	6.7	17.8
	3	9	19.6	20.0	37.8
	4	15	32.6	33.3	71.1
	5	13	28.3	28.9	100.0
	Total	45	97.8	100.0	
Missing	0	1	2.2		
Total		46	100.0		

Table 29

Hypothesis 5: Descriptive Statistics

	n	Minimum	Maximum	Mean	Std. Dev.
Describe your position at [the university]	149	1	5	3.06	1.170
Rebuilt stakeholders trust in the local authority	146	1	5	3.59	1.241
Valid n (listwise)	144				

Table 30

Hypothesis 5: Correlations

		Describe your position at [the university]	Rebuilt stakeholders trust in the local authority
Describe your position at [the university]	Pearson Correlation	1	-.181*
	Sig. (2-tailed)		.030
	n	149	144
Rebuilt stakeholders trust in the local authority	Pearson Correlation	-.181*	1
	Sig. (2-tailed)	.030	
	n	144	146

Note.
*. Correlation is significant at the 0.05 level (2-tailed).

The frequency of responses indicates that the hypothesis is accepted. In examining the correlations, the statistical correlation between "Rebuilt stakeholders trust in the local authority" and the "Describe your position at [the university]" were statistically significant at the 0.05 level. While there was a slight negative correlation, this result is likely because of how the data was coded in SPSS. Individuals that identified as completely or mostly administrative were coded as "1," individuals that identified as half administrative and half faculty were coded as "2," individuals that identified as completely or mostly faculty were coded as "3," and individuals that identified as completely or mostly staff were coded as "4." This negative correlation indicates that while 69.7% of respondents (69 of 99 valid responses) agreed that the university had rebuilt stakeholders trust in the local authority, this was noticed more by those individuals that were either part of administration or closer to administration, higher on the organizational hierarchy.

Hypothesis 6 – Accepted & Accepted.

Hypothesis 6 stated that a moderate correlation existed between a perception of reshaping and improving the organizational culture and climate and faculty and staff employees. By examining the frequency of the responses of members of the university that identified their positions as completely/mostly faculty, (‘5’ is “to a very large extent,” and ‘4’ is “somewhat”), 51.9% of respondents (28 of 54 valid responses) agreed that the university had reshaped and improved the organizational culture and climate, indicating a moderate relationship (Dancey & Reidy, 2004). With a mean of 3.22 and a standard deviation of 1.327, the effect size is 0.86397 (rounded). Per Cohen (1988), this suggests a “large” effect size.

Table 31

Reshaped and Improved the Organizational Culture and Climate – Faculty

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	11.1	11.1	11.1
	2	14	25.9	25.9	37.0
	3	6	11.1	11.1	48.1
	4	18	33.3	33.3	81.5
	5	10	18.5	18.5	100.0
	Total	54	100.0	100.0	

By examining the frequency of the responses of members of the university that identified their positions as completely/mostly staff, (‘5’ is “to a very large extent,” and ‘4’ is “somewhat”), 52.4% of respondents (22 of 42 valid responses) agreed that the university had reshaped and improved the organizational culture and climate, indicating a moderate relationship (Dancey & Reidy, 2004). With a mean of 3.26 and a standard deviation of 1.251, the effect size is 0.87891 (rounded). Per Cohen (1988), this suggests a “large” effect size.

Table 32

Reshaped and Improved the Organizational Culture and Climate – Staff

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	10.9	11.9	11.9
	2	7	15.2	16.7	28.6
	3	8	17.4	19.0	47.6
	4	16	34.8	38.1	85.7
	5	6	13.0	14.3	100.0
	Total	42	91.3	100.0	
Missing	0	4	8.7		
Total		46	100.0		

Table 33

Hypothesis 6: Descriptive Statistics

	n	Minimum	Maximum	Mean	Std. Dev.
Describe your position at [the university]	149	1	5	3.06	1.170
Reshaped and improved the organizational culture and climate	146	1	5	3.30	1.299
Valid n (listwise)	145				

Table 34

Hypothesis 6: Correlations

		Describe your position at [the university]	Reshaped & improved organizational culture & climate
Describe your position at [the university]	Pearson Correlation	1	-.216**
	Sig. (2-tailed)		.009
	n	149	145
Reshaped & improved the organizational culture & climate	Pearson Correlation	-.216**	1
	Sig. (2-tailed)	.009	
	n	145	146

Note.
**. Correlation is significant at the 0.01 level (2-tailed).

The frequency of responses indicates that the hypothesis is accepted. In examining the correlations, the statistical correlation between “Reshaped and improved the organizational culture and climate” and the “Describe your position at [the university]" were statistically significant at the 0.01 level. While there was a negative correlation, this is likely because of how the data was coded in SPSS. Individuals that identified as completely or mostly administrative were coded as "1," individuals that identified as half administrative and half faculty were coded as "2," individuals that identified as completely or mostly faculty were coded as "3," and individuals that identified as completely or mostly staff were coded as "4." This negative correlation indicates that while 52.08% of respondents (50 of 96 valid responses) agreed that the university had reshaped and improved the organizational culture and climate, this was noticed more by those individuals that were either part of administration or closer to administration, higher on the organizational hierarchy.

Hypothesis 7 – Rejected.

Hypothesis 7 stated that a positive correlation existed between a perception of rebuilding stakeholders trust in the local authority and the level of participation in extracurricular activities on campus.

Table 35

Hypothesis 7: Descriptive Statistics

	n	Minimum	Maximum	Mean	Std. Dev.
Rebuilt stakeholders trust in the local authority	146	1	5	3.59	1.241
Level of participation in extracurriculars on campus	149	1	8	4.74	2.067
Valid n (listwise)	144				

Table 36

Hypothesis 7: Correlations

	Rebuilt stakeholders trust in the local	Level of participation in extracurriculars on campus

		authority	
Rebuilt stakeholders trust in the local authority	Pearson Correlation	1	-.110
	Sig. (2-tailed)		.190
	n	146	144
Level of participation in extracurriculars on campus	Pearson Correlation	-.110	1
	Sig. (2-tailed)	.190	
	n	144	149

The statistical calculations of correlation between "Rebuild stakeholders trust in the local authority" and the "Level of participation in extracurricular activities on campus" was not statistically significant. While there was a slight negative correlation of 11%, due to the lack of sufficient statistical significance, this result is not considered valid.

In an effort to determine if appropriate statistical significance could be achieved, the data was again calculated by regrouping extracurricular activities to match the response scale (1-5) of rebuilding stakeholder trust. Using a maximum of 5 for all values of extracurricular activities, therefore grouping the responses of attending an average of 2, 1, or less than 1 extracurricular activities into one set of responses, the data calculations were as follows.

Table 37

Hypothesis 7: Descriptive Statistics

	n	Minimum	Maximum	Mean	Std. Dev.
Rebuilt stakeholders trust in the local authority	146	1	5	3.59	1.241
Level of participation in extracurriculars on campus	149	1	5	4.08	1.459
Valid n (listwise)	144				

Table 38

Hypothesis 7: Correlations

		Rebuilt stakeholders trust in local authority	Level of participation in extracurriculars on campus
Rebuilt stakeholders trust in local authority	Pearson Correlation	1	-.095
	Sig. (2-tailed)		.255
	n	146	144
Level of participation in extracurriculars on campus	Pearson Correlation	-.095	1
	Sig. (2-tailed)	.255	
	n	144	149

The statistical calculations of correlation between “Rebuild stakeholders trust in the local authority” and the “Level of participation in extracurricular activities on campus” regrouped were also not statistically significant. While there was a slight negative correlation of 9.5%, due to the lack of sufficient statistical significance, this result is not considered valid.

Hypothesis 8 – Rejected.

Hypothesis 8 stated that a positive correlation existed between a perception of rebuilding stakeholders trust in the local authority and the number of hours per week employees spend on campus executing their specific job duties.

Table 39

Hypothesis 8: Descriptive Statistics

		Rebuilt stakeholders trust in the local authority	Hours a week on campus executing job
n	Valid	146	148
	Missing	18	16
Mean		3.59	3.65
Median		4.00	3.00
Std. Dev.		1.241	2.407
Minimum		1	1
Maximum		5	11
Percentiles	10	1.00	1.00
	20	2.40	2.00
	25	3.00	2.00
	30	3.00	2.00
	40	4.00	3.00
	50	4.00	3.00
	60	4.00	3.00
	70	4.00	4.00
	75	4.00	4.00
	80	5.00	5.20
	90	5.00	7.10

Table 40

Rebuilt Stakeholders Trust in the Local Authority

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	16	9.8	11.0	11.0
	2	13	7.9	8.9	19.9
	3	19	11.6	13.0	32.9
	4	65	39.6	44.5	77.4
	5	33	20.1	22.6	100.0
	Total	146	89.0	100.0	
Missing	0	17	10.4		
	System	1	.6		
	Total	18	11.0		
Total		164	100.0		

Table 41

Hours a Week on Campus Executing Job

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	27	16.5	18.2	18.2
	2	21	12.8	14.2	32.4
	3	44	26.8	29.7	62.2
	4	20	12.2	13.5	75.7
	5	7	4.3	4.7	80.4
	6	11	6.7	7.4	87.8
	7	4	2.4	2.7	90.5
	8	6	3.7	4.1	94.6
	9	1	.6	.7	95.3
	10	4	2.4	2.7	98.0
	11	3	1.8	2.0	100.0
	Total	148	90.2	100.0	
Missing	0	15	9.1		
	System	1	.6		
	Total	16	9.8		
Total		164	100.0		

Table 42

Hypothesis 8: Correlations

		Rebuilt stakeholders trust in the local authority	Hours a week on campus executing job
Rebuilt stakeholders trust in the local authority	Pearson Correlation	1	-.092
	Sig. (2-tailed)		.277
	n	146	143
Hours a week on campus executing job	Pearson Correlation	-.092	1
	Sig. (2-tailed)	.277	
	n	143	148

The statistical calculations of correlation between "Rebuild stakeholders trust in the local authority" and the "Hours worked per week on campus executing job" was not statistically significant. While there was a slight negative correlation of 9.2%, due to the lack of sufficient statistical significance, this result is not considered valid.

Hypothesis 9 – Accepted.

Hypothesis 9 stated that a positive correlation existed between a perception of redefining the core mission and all faculty, staff, and administrative employees. By examining the frequency of the responses of members of the university, ('5' is "to a very large extent," and '4' is "somewhat"), 65.9% of respondents (89 of 135 valid responses) agreed that the university had redefined core missions, indicating a moderate relationship (Dancey & Reidy, 2004). With a mean of 3.55 and a standard deviation of 1.144, the effect size is 0.90996 (rounded). Per Cohen (1988), this suggests a "large" effect size.

Table 43

Redefined Core Missions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	12	7.3	8.9	8.9
	2	13	7.9	9.6	18.5
	3	21	12.8	15.6	34.1
	4	67	40.9	49.6	83.7
	5	22	13.4	16.3	100.0
	Total	135	82.3	100.0	
Missing	0	28	17.1		
	System	1	.6		
	Total	29	17.7		
Total		164	100.0		

Table 44

Hypothesis 9: Descriptive Statistics

	n	Minimum	Maximum	Mean	Std. Dev.
Describe your position at [the university]	149	1	5	3.06	1.170
Redefined core missions	135	1	5	3.55	1.144
Valid n (listwise)	134				

Table 45

Hypothesis 9: Correlations

		Describe your position at [the university]	Redefined core missions
Describe your position at [the university]	Pearson Correlation	1	-.204*
	Sig. (2-tailed)		.018
	n	149	134
Redefined core missions	Pearson Correlation	-.204*	1
	Sig. (2-tailed)	.018	
	n	134	135

Note.
*. Correlation is significant at the 0.05 level (2-tailed).

The frequency of responses indicates that the hypothesis is accepted. In examining the correlations, the statistical correlation between “Redefined core missions” and the “Describe your position at [the university]” were statistically significant at the 0.05 level. While there was a negative correlation, this is likely because of how the data was coded in SPSS. Individuals that identified as completely or mostly administrative were coded as “1,” individuals that identified as half administrative and half faculty were coded as “2,” individuals that identified as completely or mostly faculty were coded as “3,” and individuals that identified as completely or mostly staff were coded as “4.” This negative correlation indicates that while 65.9% of respondents (89 of 135 valid responses) agreed that the university had redefined core missions, this was noticed more by those individuals that were either part of administration or closer to administration, higher on the organizational hierarchy.

Hypothesis 10 – Accepted, Accepted, & Accepted.

Hypothesis 10 stated that a positive correlation existed between defining a common vision of the local authority and the levels of management. By examining the frequency of the responses of members of the university that defined themselves as upper/middle management, (‘5’ is “to a very large extent,” and ‘4’ is “somewhat”), 80% of respondents (8 of 10 valid responses) agreed that the university had defined a common vision of the local authority, indicating a strong relationship (Dancey & Reidy, 2004). With a mean of 4.20 and a standard deviation of .789, the effect size is 0.96647 (rounded). Per Cohen (1988), this suggests a “large” effect size.

Table 46

Defined a Common Vision of the Local Authority – Upper Management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3	2	20.0	20.0	20.0
	4	4	40.0	40.0	60.0
	5	4	40.0	40.0	100.0
	Total	10	100.0	100.0	

Table 47

Hypothesis 10: Descriptive Statistics

	n	Mini-mum	Maxi-mum	Mean	Std. Dev.
Describe your position at [the university]	10	1	4	1.60	1.265
Defined a common vision of the local authority	10	3	5	4.20	.789
Valid n (listwise)	10				

Table 48

Hypothesis 10: Correlations

		Describe your position at [the university]	Redefined core missions
Describe your position at [the university]	Pearson Correlation	1	.195
	Sig. (2-tailed)		.590
	n	10	10
Redefined core missions	Pearson Correlation	.195	1
	Sig. (2-tailed)	.590	
	n	10	10

The frequency of responses indicates that the hypothesis is accepted. In examining the correlations, the statistical correlation between “Redefined core missions” and the “Describe your position at [the university] (upper management only)” was not statistically significant. While there was a positive correlation of 59%, due to the lack of sufficient statistical significance, this result is not considered valid.

Hypothesis 10 stated that a positive correlation existed between defining a common vision of the local authority and the levels of management. By examining the frequency of the responses of members of the university that defined themselves as junior management, ('5' is "to a very large extent," and '4' is "somewhat"), 66.6% of respondents (14 of 21 valid responses) agreed that the university had defined a common vision of the local authority, indicating a strong relationship (Dancey & Reidy, 2004). With a mean of 3.57 and a standard deviation of 1.469 the effect size is 0.86431 (rounded). Per Cohen (1988), this suggests a "large" effect size.

Table 49

Defined a Common Vision of the Local Authority – Junior Management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	14.3	14.3	14.3
	2	3	14.3	14.3	28.6
	3	1	4.8	4.8	33.3
	4	7	33.3	33.3	66.7
	5	7	33.3	33.3	100.0
	Total	21	100.0	100.0	

Table 50

Hypothesis 10: Descriptive Statistics

	n	Minimum	Maximum	Mean	Std. Dev.
Describe your position at [the university]	21	1	4	2.67	1.197
Defined a common vision of the local authority	21	1	5	3.57	1.469
Valid n (listwise)	21				

Table 51

Hypothesis 10: Correlations

		Describe your position at [the university]	Redefined core missions
Describe your position at [the university]	Pearson Correlation	1	.152
	Sig. (2-tailed)		.548
	n	21	18
Redefined core missions	Pearson Correlation	.152	1
	Sig. (2-tailed)	.548	
	n	18	18

The frequency of responses indicates that the hypothesis is accepted. In examining the correlations, the statistical correlation between “Redefined core missions” and the “Describe your position at [the university] (junior management only)” was not statistically significant. While there was a positive correlation of 54.8%, due to the lack of sufficient statistical significance, this result is not considered valid.

Hypothesis 10 stated that a positive correlation existed between defining a common vision of the local authority and the levels of management. By examining the frequency of the responses of members of the university that defined themselves as individuals that do not manage other employees, (‘5’ is “to a very large extent,” and ‘4’ is “somewhat”), 60.7% of respondents (56 of 92 valid responses) agreed that the university had defined a common vision of the local authority, indicating a moderate relationship (Dancey & Reidy, 2004). With a mean of 3.64 and a standard deviation of 1.163, the effect size is 0.91129 (rounded). Per Cohen (1988), this suggests a “large” effect size.

Table 52

Defined a Common Vision of the Local Authority – Non-Managing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	6.3	6.5	6.5
	2	9	9.5	9.8	16.3
	3	21	22.1	22.8	39.1

	4	32	33.7	34.8	73.9
	5	24	25.3	26.1	100.0
	Total	92	96.8	100.0	
Missing	0	3	3.2		
Total		95	100.0		

Table 53

Hypothesis 10: Descriptive Statistics

	n	Minimum	Maximum	Mean	Std. Dev
Describe your position at [the university]	95	1	4	3.07	.866
Defined a common vision of the local authority	92	1	5	3.64	1.163
Valid n (listwise)	92				

Table 54

Hypothesis 10: Correlations

		Describe your position at [the university]	Redefined core missions
Describe your position at [the university]	Pearson Correlation	1	-.132
	Sig. (2-tailed)		.226
	n	95	86
Redefined core missions	Pearson Correlation	-.132	1
	Sig. (2-tailed)	.226	
	n	86	86

The frequency of responses indicates that the hypothesis is accepted. In examining the correlations, the statistical correlation between “Redefined core missions” and the “Describe your position at [the university] (non-managing employees only)” was not statistically significant. While there was a slight negative correlation of 13.2%, due to the lack of sufficient statistical significance, this result is not considered valid.

Table 55

Hypotheses Summary

Hypotheses		Accepted / Rejected
1	Reorganization Activities + Perception by all employees	Accepted
2	Stronger Financial Controls + Perception by all employees	Accepted
3	New Marketing Efforts + Perception by all employees	Accepted
4	Improving Internal & External Image + Perception by all employees	Accepted
5	Rebuilding Stakeholder Trust + Mostly Faculty / Mostly Staff	Accepted & Accepted
6	Reshaping & Improving Organization Climate + Mostly Faculty / Mostly Staff	Accepted & Accepted
7	Rebuilding Stakeholder Trust + On Campus Activities Participation	Rejected
8	Rebuilding Stakeholder Trust + Hours/Week Spent on Campus	Rejected
9	Redefining Core Mission + Perception by all employees	Accepted
10	Common Vision of the Local Authority + Levels of Management	Accepted, Accepted, & Accepted

General analysis.

In addition to the statistical results of the hypotheses provided above, there are some supplementary results. Overall, respondents to the survey (faculty, staff, and members of administration) rated the overall "success" of the turnaround to date with 80.4% of respondents (119 of 148 valid responses) agreeing that the university either "4 – somewhat" or "5 – to a very large extent" had successfully begun the turnaround to date, indicating a strong result (Dancey & Reidy, 2004). With a mean of 4.00 and a standard deviation of 1.100, the effect size is 0.93199 (rounded). Per Cohen (1988), this suggests a "large" effect size.

Table 56

Rating the "Success" of the Turnaround to Date

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	3.7	4.1	4.1
	2	15	9.1	10.1	14.2
	3	8	4.9	5.4	19.6
	4	63	38.4	42.6	62.2
	5	56	34.1	37.8	100.0
	Total	148	90.2	100.0	
Missing	0	15	9.1		
	System	1	.6		
	Total	16	9.8		
Total		164	100.0		

It is also possible to test the assumption that Retrenchment Activities had a mutual relationship and connection with the faculty, staff, and administration's perception of the "success" of the turnaround to date at the university in question. These activities included: contracted activities and services scope, eliminated particular services, decreased service expenditure, partially/temporarily exited from specific services, liquidated assets in order to raise capital, reduced/suspended capital expenditures, closed down public organizations, created stronger financial controls, and decreased financial support to other organizations (Beeri, 2009).

The correlations between the various activities and rating the "success" of the perception of the turnaround to date were weakly (therefore 0.1-0.3), negatively correlated with statistically significant correlations ranging from -16.6% to -26.1% (Dancey & Reidy, 2004).

Table 57

Success of the Turnaround to Date and Retrenchment Activities: Correlations

		Contracted [reduced] activities and services	Eliminated particular services	Decreased Service Expenditures	Partially/temporarily exited from specific services	Liquidated [sold] assets in order to raise capital	Reduced/ suspended capital expenditures	Closed down public organizations	Created stronger financial controls	Decreased financial support to other organizations
Rating the "success" of the turnaround to date	Pearson Correlation	-.166*	-.174*	-.174*	-.238**	-.061	-.010	-.147	.088	-.261**
	Sig. (2-tailed)	.049	.040	.044	.006	.535	.907	.124	.306	.005
	N	141	139	135	134	105	131	110	136	113

Correlations

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

The reorganization activities that were statistically significant were negatively correlated with rating the perception of the "success" of the turnaround to date, indicating that these activities did not have a positive relationship with the perception of success. The data indicates that these activities did not support the perception of the success of the turnaround and possibly may even have detracted from the perception of success.

It is also possible to test the assumption that Repositioning Activities had a mutual relationship and connection with the faculty, staff, and administration's perception of the "success" of the turnaround to date at the university in question. These activities included: established new services, entered into joint activities/co-operated with other agencies, extended activities and scope of services, changed the priorities of traditional activities, rented/sold/mortgaged assets, extended availability of services, extended marketing efforts (reaching out) to new consumers, increased service expenditures, modernized capacity of services with equipment utilizing new technologies, began to provide services/internal services that were previously purchased, loaned money/asked for subvention for reorganization purposes, privatized services, increased average price of services/levying money, redefined core missions, ensured high quality of services, improved the local authority’s internal and external image, introduced new ways of implementation, rebuilt stakeholders trust in the local authority (Beeri, 2009). The correlations between the various activities and rating the “success” of the perception of the turnaround to date were weakly (therefore 0.1-0.3) to moderately (therefore 0.4-0.6) correlated with statistically significant correlations ranging from 20.6% to 61.9% (Dancey & Reidy, 2004).

Table 58

Success of the Turnaround to Date and Repositioning Activities: Correlations

Correlations

		Established new services	Entered into joint activities/co-operated with other agencies [or organizations]	Extended activities and scope of services	Changed the priorities of traditional activities	Rented/sold/mortgaged assets	Extended availability of services	Extended marketing efforts (reaching out) to new consumers	Increased service expenditure	Modernized capacity of services with equipment utilizing new technologies	Began to provide services/internal services that were previously purchased	Loaned money/asked for subvention [aid or support] for reorganization purposes	Privitized Services	Increased average price of services/levying money	Redefined core missions	Ensured high quality of services	Improved the local authority's [DSU's] internal and external image	Introduced new ways of implementation	Rebuilt stakeholders trust in the local authority
Rating the "success" of the turnaround to date	Pearson Correlation	.267**	.231**	.313**	.149	-.024	.382**	.280**	.206*	.276**	.311**	-.004	.033	.015	.195*	.463**	.526**	.396**	.619**
	Sig. (2-tailed)	.001	.008	.000	.079	.819	.000	.001	.020	.001	.000	.967	.734	.870	.024	.000	.000	.000	.000
	N	143	132	141	141	96	138	143	127	139	123	96	109	114	133	142	147	141	143

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

The repositioning activities that were statistically significant were positively correlated with rating the perception of the “success” of the turnaround to date, indicating that these activities had a positive relationship with the perception of success. Specifically, establishing new services, entering into joint activities/co-operated with other agencies, extending activities and scope of services, extending availability of services, extending marketing efforts (reaching out) to new consumers, increasing service expenditures, modernizing capacity of services with equipment utilizing new technologies, beginning to provide services/internal services that were previously purchased, redefining core missions, ensuring high quality of services, improving the local authority’s internal and external image, introducing new ways of implementation, and rebuilding stakeholders trust in the local authority were positively correlated with the perception of success (Beeri, 2009). The activity with the highest correlation was “rebuilt stakeholders trust in the local authority.” This result is a logical extension of the fact that 93.1% of respondents (135 of 145 valid responses” agreed (“4 – somewhat” or “5 – to a very large extent”) that the events prior to the turnaround were a major violation of trust (see above for data table).

Chapter 5: Conclusions and Recommendations

In the 2011-2012 academic year, a small, regional, public university in the upper Midwest under study experienced an organizational trauma after an ethical breech, demanding change. After an external audit was completed, it was determined that the special, short-term international programs were granting degrees that failed appropriate degree standards (The Associated Press, 2012; Donovan, 2012a; Donovan, 2012b). Over 740 degrees were awarded to students within the program and more than 500 of those degrees lacked sufficient documentation to prove that the students actually earned the degree, earning the university the moniker as a degree mill for Chinese students. In addition, the former president was terminated for enrollment inflation and countersued, and the university had a stern compliance, policy, and financial audit, all of which revealed a number of problems across the university (Finneman, 2012). With enrollment fraud, improper awarding of degrees, inappropriate handling of public funds, and incorrect scholarship allocations, the university's reputation was damaged, employees left the organization in droves, enrollment plummeted, donors and revenue were lost, and the former dean took his own life. The university, its management, and the state authority governing it chose to execute a turnaround to change the organization's course and save it. It is that turnaround that this research studied.

As such, this research looked to apply the field of turnaround management to higher education in the case of a small, regional public institution in the upper Midwest that had experienced significant organizational upheaval and ethical issues. Overall, the results were mixed, demonstrating opinions and perceptions of success and failure in the turnaround. Members of the university, nearly unequivocally, expressed that the issues that the university faced were highly traumatic and were a major violation of trust. Faculty, staff, and members of the administration felt betrayed and abused by the former administration due to the unethical actions as well as their concealment. An unexpected result of the research was the relatively positive perception of the progress and path of the turnaround to date with over 80% of the respondents replying that the turnaround was either somewhat successful or to a very large extent successful. The university leaders and the state system decided that the organization was worth saving, though its operating and strategic health demanded change (Hofer, 1980).

Contributions to the academe.

While there has been significant research on turnarounds in the body of knowledge, this study also provided some interesting additions to the academe. This research confirmed some "common sense" thoughts regarding the opinions and perspectives of individuals experiencing a turnaround as well as the impact of violations of trust on an organization. In addition, it revealed the importance of a common vision within an organization in transition during a turnaround as well as the need for a strongly longitudinal approach.

In regards to turnarounds, the common, conventional wisdom would indicate that the more active and involved individuals were in their organization, the more likely they would be committed to a turnaround and trust an entity's progress. Therefore, the assumption in this research was that the more involved the individual on campus, the more contact they would have with the university and therefore be more inclined to trust the organization, management, and the turnaround. However, anecdotally, the research has shown this convention wisdom might not to be true. The academe should take notice of the potentially negative impact of individuals being "too" involved in the organization to trust the turnaround, organization, and management. This involvement can possibly extend to spending too many hours at the organization above and beyond their job duties and being so immersed in the system that they become jaded or suspicious of the change. The more time respondents spent on campus, even doing their job, the less their trust in the local authority was rebuilt. An anecdotal supposition could be that these individuals trusted the organization less because of their larger amount of time spent on campus, the opposite result of expectations and something that should be taken into account when studying trust as well as executing a turnaround. If employees that are more active and involved in the organization are the least trusting, the academe should assess why they are less trusting as well as the communications processes that enabled the situation.

The destruction of trust that can occur in an organization due to scandals is significant, perhaps even egregious. When a violation of trust is considered "major," rebuilding trust in the organization and its management with its employees is vital. Because trust is so necessary for organizational function and communication, the destruction of it, especially when it is considered to be an intentional violation by individuals internal to the organization, is far more insidious (Caldwell et al., 2009; Denton, 2009; Hirsch, 1978; Kramer & Tyler, 1996; Wong & Cummings, 2009). A difference in faculty and staff opinion in higher education was an interesting compliment to the academe research because of the difference in relationships driven by the types of employees within the organization. As faculty are often traditionally more adversarial with college and university management than staff, the differing opinions of the faculty and staff are worth further study. A difference in opinion from the different areas of employees within the organization might indicate a shift in how management understands the world of academia and bears additional analysis.

Another contribution to the body of knowledge involves how the levels of management perceived the common vision defined by the university. The common wisdom of the higher the level of management, the more likely the individuals were to agree with the vision from upper management was confirmed. However, the disparity in responses to the various levels of management and responsibility indicated that while upper and middle management might believe there is a common vision, that information and concept may not be translated across the university as a whole. Whether it was a lack of communication or a lack of understanding of the vision, the university as a whole did not share it. While a majority of respondents did perceive a common vision, there is no assurances that members of the university understood the same “common vision.” The difference in communication is another area of research and confirms the necessity for clear, congruent, and aligned communication across an entire organization with a concise message shared with both internal and external stakeholders that is consistent at every level of management and function.

One of the major contributions to the academe was the demonstrated need for longitudinal studies regarding all facets of a turnaround. While a number of different facts and perspectives were found at the time of the research, much was uncertain regarding the longevity and "staying power" of the changes. As a result, a key factor demonstrated in this research as well as across the body of knowledge was the need for studies to take place in an organization completing a turnaround over time. For true assessment of a turnaround as well as the financial, strategic, and operating health of an entity, longitudinal evaluation and measurement are imperative.

Contributions to the profession.

This research, while providing valuable insight to the specific university under study, provided insights and encouragement to other institutions of higher education that need to execute a turnaround to survive and/or thrive. As mentioned above, turnarounds are not unique to the business or corporate world, but are often necessitated in every industry. Higher education is no different, therefore the following section provides broader generalizations of what was learned in the university to apply to other colleges and universities to complete a turnaround.

Supporting the findings of previous researchers, an overarching conclusion is that reorganization activities generally supported the success of a turnaround, perhaps in part because these activities are so visual and public. Changing the president (CEO), the internal reporting structure, replacing lower and middle managers, and centralizing/decentralizing decisions as well as university functions are a clear series of actions that send a message to stakeholders of change (Hofer, 1980; Sims, 2000). While these items may not provide strong correlations with the success of the turnaround, they provide very clear and publicized first steps even though the true turnaround cannot be measured merely by changing the individuals in charge. Instead, Schneider et al. (1996)

provided that leadership must change the mindset of the organizational culture for real, permanent change. Therefore, the research results support the suppositions that just hiring and firing upper, middle, and lower management and reorganizing decision makers are insufficient to alter the hearts and minds of organizational stakeholders, even though the “old guard” is largely demoted or leaves the organization (Sims, 2000). Higher education, when faced with the need to execute a turnaround, should complete various reorganization activities to publically and clearly remove all parties and vestiges of prior management to pave the way for other turnaround activities as soon as possible. Because a turnaround is more than a single task, but is instead a series of changes and alterations made to change the organization’s direction, these steps are the critical beginning that provides the opening to trust in the transition as well as those spearheading it.

Higher education should then follow up the initial reorganization activities by formulating an organizational working plan, defining a common vision, and diagnosing the organization’s strengths and weaknesses, all activities designed to align the perspectives and focus of a population towards a common goal. As the strongest correlations between reorganization activities and rating the success of the turnaround in this research included researching the needs of consumers, becoming a learning organization, reshaping and improving the culture, defining a common vision, diagnosing organizational strengths and weaknesses, and formulating a working plan, universities and colleges in need of a turnaround demand a hard look at their true mission, character, and goals. By reevaluating the organization’s identity, these activities indicate to the profession at large that when a university’s management decides to turn the organization around and alter its trajectory, much of the university community can embrace the desire to change and believed in “coming together” to solve the entity’s problems. As a result, faculty, staff, and members of administration can open their minds to working together with the goal of revitalizing the entity through a common vision and direction, at least at the time. Institutions of higher education need to move from operating in “crisis mode” to create a vision of change for a better culture focusing on growing student bodies by not cutting corners, building strong programs, and aligning the university’s actions with its mission. The common vision and organizational culture improvement must become a permanent shift. Higher education can fully engage in turning its institutions around when they create a cultural change that embraces a single intention that celebrates ethics and integrity, both publicized and lived by the members of the organization.

When an organization within higher education has financial troubles, it is especially important that faith and confidence be restored in the university’s finances because the funds come not only from customers, but from the public at large either through tax dollars or donations. The message of honesty, integrity, and proper controls protecting not only the assets but the net value of a college or university must be understood by the faculty, staff, and members of administration within the organization. As Slatter and Lovett (1999) emphasized, an entity needs to stabilize from its crisis, have proper cash management, strong financial controls, and cut costs to go forward in a turnaround. As a result, the actions of tightening financial controls such as hiring a new Vice President of Finance/Chief Financial Officer, changing policies, and reorganizing the financial division can be noticed by the vast majority of employees and support the turnaround in process.

In higher education as an industry, scandals and organizational strife often results in decreased student enrollment. To revitalize the university or college and continue operations, it is important that the institution recruit new customers in the form of increased enrollment of new students to reverse a net enrollment decrease. If the faculty, staff, and members of administration have the perception that the university extended its marketing efforts to new potential consumers throughout the community with various productive campaigns, the turnaround is more likely to be successful. Yet those additional marketing efforts will need to be analyzed over time for ongoing trends in any organization after a turnaround.

After any scandal or trouble, especially in higher education, the potential exists for tarnished reputation. As such, any turnaround demands that the organization improve its reputation and image, both internally and externally. Internally, it is important to restore some of the faith and character of the university with its internal stakeholders – faculty, staff, and administrative employees. Externally, the community, university system, region, potential students, and donors have likely lost faith in the college or university. Because of this fallout, improving the reputation of the institution of higher education is directly tied to its success in recruiting students as well as supporters of the organization throughout the university community both at the individual and organizational level. Therefore, the profession would be wise to look to restore the internal and external image of the entity, not only to restore trust, but to revitalize their enrollment, decrease turnover of employees, and recapture lost revenue from donors and students. The profession should analyze the most appropriate venues and opportunities to provide a clear, consistent message of change – admitting the organization's failings as well as executing and completing exacting steps of correction. It is also important to assess whether these changes in reputation and trust are viewed as short or long-term changes to assess the strength of the turnaround over time.

Supporting the overall intention of turning the entity in a new direction after a series of scandals, the organizational culture must shift away from its dark past. Puffer and McCarthy (2008) provided that “turning around a company ethically, financially, and strategically [first] requires a compelling vision to motivate executives and employees” (p. 305). A culture shift from the previous patterns of behavior driven by the “old guard” and slipshod controls demands an improved culture with a higher level of trust and honesty embraced by leadership (Epstein, 2003; Puffer & McCarthy, 2008; Sims, 2000). For real change in higher education after a turnaround, there must be a reshaping and improving of the organizational culture and climate. When completing this turnaround, the college or university must stamp out the previous culture with all force and create a new, positive, changed culture with openness, trust, honesty, and integrity. This reformation is supported by removing the “old guard” in its entirety, increasing the marketing efforts to new consumers, changing the vision and culture, but also increasing transparency of organizational decisions within the college or university and the community at large.

Contributions to the university under study.

Overall, roughly 80% of respondents indicated that the university had either “somewhat” or “to a very large extent” had successfully begun the turnaround to date. The university did undertake some of the turnaround activities provided in the literature, though not all. The previous CEO (university president) was removed and a new president installed with the intention of rooting out the previous administration's management style and organizational climate (Hofer, 1980; Sims, 2000). While there were weak correlations regarding centralization and decentralization activities with the success of the turnaround, there was significant restructuring of the organization in regards to moving departments, authority, and function to different areas. Therefore, while respondents did not perceive these activities as major influences to the turnaround, they still supported the overall organizational change (Kavanagh, 2008). The survey instrument did not ask respondents about changing the reward structure or instituting a Chief Ethics and Compliance Officer, and there was no anecdotal evidence that the university undertook these steps (Ackermann, 2005; Kavanagh, 2008; Meisler, 2004; Sims, 2000).

The negative correlations of the retrenchment activities that were statistically significant (contracted activities and services scope, eliminated particular services, decreased service expenditure, partially/temporarily exited from specific services, liquidated assets in order to raise capital, reduced/suspended capital expenditures, closed down public organizations, created stronger financial controls, and decreased financial support to other organizations) also provided interesting results. The fact that retrenchment activities were negatively correlated, though weakly, to the perception of success indicated that respondents perceived retrenchment activities as actually hurting the turnaround. Perhaps respondents viewed the retrenchment activities as "pulling back" and hurting the university's forward progress.

A number of the repositioning activities showed positive, though weak to moderate, correlations with the turnaround. These activities included establishing new services, entering into joint activities/co-operated with other agencies, extending activities and scope of services, extending availability of services, extending marketing efforts (reaching out) to new consumers, increasing service expenditures, modernizing capacity of services with equipment utilizing new technologies, beginning to provide services/internal services that were previously purchased, redefining core missions, ensuring high quality of services, improving the local authority's internal and external image, introducing new ways of implementation, and rebuilding stakeholders trust in the local authority. These results indicated that growing the university's reputation as well as footprint in the community positively influenced the perception of the turnaround. These activities generally coincided with forward progress as the organization was aligning its mission, vision, and operations to create a higher-quality product of education that is becoming a well-thought of and valued member of the community.

This study revealed a number of recommendations for the university and its management to make adjustments to continue turning around the organization. The mission of the organization is explicitly stated and published, but the organization needs an improved understanding and communication of the organization's vision, strategic direction, and goals of management. While the organization as of late has initiated or revamped a few programs and directions as understood by the participants in this research, the vision and direction needs to be not only understood by the university community at large, but embraced. In addition, as the university moves out of operating as if still in a crisis, the overall culture needs to be strengthened and embraced by the entire university community and shared with the external community across the state and region. As much of the "old guard" has left the university, the current management should take care to distance itself from past mistakes positively by creating an overall aligned direction with clear strategic and operational goals that are published and clarified to remove all opacity. Once the university goals and direction are distributed within the internal university community, every department (academic and operational) should provide individual strategic and operational goals for their functional units as well as measurable outcomes.

To continue the process of rebuilding trust and faith in the organization, management should also demonstrate their competence and the competence of the university, ensure quality, increase procedural fairness, strengthen communication, and focus on disseminating information about the improved legal and financial compliance of the entity (Caldwell & Jeffries, 2001). Institutional stakeholders must not only perceive, but believe in the competence of management without questioning the integrity and honesty of their motives to improve trust (Caldwell & Jeffries, 2001). Denton (2009) provided that organizations can rebuild and improve trust by delivering truthful, accurate, and timely information. Because the university and its management needs to express both confidence and trustworthiness to its internal and external stakeholders, it is recommended that management increase communications across the university with as personal and involved focus as possible.

As respondents viewed a number of repositioning activities as positively correlated with the success of the turnaround to date, the university should increase those activities. Examples would include establishing new services or programs, perhaps by encouraging new methods of delivering courses and programs that appealed to larger markets of students. By increasing technology available to students and programs as well as encouraging new program development while reinforcing the core mission and refining the organization's vision, introducing new methods of implementation of operations as well as programs could increase student enrollment. These new programs and services should be heavily marketed to new, potential customers, while capitalizing on the specific needs of the booming regional economy as well as the market of military veterans moving to the area to work in the local economy.

It is also important to note that at the time of this research, the university's affiliated organization, the university alumni foundation, was undergoing its own operational, strategic, and financial crisis. While this entity was legally separated from the university under study, its actions influenced the opinions and trust of the internal and external community in the university. The university will need to use the techniques, communication improvements, and repositioning activities as listed above to protect the university from the actions of the foundation while fulfilling its mission as the public again loses faith in the entity.

Recommendations for Future Research

Specific research might include a method or design for longitudinal research at this university, assessing the same factors at a later date to determine the progress of the turnaround over time. As the question in this research was whether the university's faculty, staff, and members of administration perceived a process/path illustrative of a turnaround, there is no easy answer. At this point in time, members perceived a beginning of turnaround, but the responses indicated that more work and time are likely needed to determine the turnaround's long-term success or failure. Through a longitudinal study after the above recommendations have been instituted, it may be possible to more fully understand the progress of a turnaround in a public institution of higher education.

Turnaround management has been applied to business organizations for several decades, but as previously mentioned, very little formal work has been completed in the area of higher education. As such, the instrument used in this research was not a perfect fit. A number of respondents provided anecdotal comments stating that the instrument had questions that were not applicable to the university's situation, some of questions were more applicable to business or government, and that some of the questions were overly complicated. While these were anecdotal comments that could not be quantified or widely assessed, they did raise the issue that the specific issues in institutions of higher education might be best served with an instrument uniquely designed for colleges and universities. Future research should focus upon creating and/or adapting an instrument to survey retrenchment, repositioning, and reorganization activities specific to educational entities and their stakeholders.

Limitations

This dissertation's major limitations centered upon the survey methodology, combined with the fact that the respondents to the survey were self-selected and may have been those individuals that may have been especially interested in the research and/or the turnaround. While the established instrument was found to be reliable and valid, the findings are largely generalizable, but not entirely. In addition, survey fatigue was suspected as the number of valid responses per question began to decrease as the survey progressed.

Another limitation was that because only currently employed individuals at the university were surveyed, many of the individuals that were directly influenced, engaged in, and/or hurt by previous management and the university's actions had already exited the university and therefore were not available for research. Because the survey went out to every currently employed individual at the institution, no matter the length of their employment, the responses were skewed as the opinions and perceptions of the individuals studied were those that were either emotionally committed to changing the university or were "stuck" without the sufficient desire/ability to leave. Because the research questioned how current employees perceived the turnaround, no former employees were surveyed, resulting in a skewed data pool. In addition, the employees that were not with the university at the time of the ethical breach or during the early stages of the turnaround and were hired later may not have the information or experience in the entity to fully assess the turnaround because of their shorter employment. Ultimately, these limitations indicate potentially skewed data and responses.

As the risk of discomfort was possible for the respondents due to the emotional trauma from the experience of the breach and turnaround, this risk likely limited the amount and types of responses. Respondents were also operating with a concern of anonymity as suspected by the decreased number of responses to demographic questions. Though this risk was substantially mitigated by vetting and approval from both the George Fox Institutional Review Board as well as the university's Institutional Review Board, the concern about anonymity and/or confidentiality may have also biased or limited the responses. In addition, because of the need to protect the anonymity and confidentiality of employees, the organization's Institutional Research Board disallowed a number of potential demographic questions, including questions regarding whether or not employees were tenured, when they were hired, how long they had been at the university, etc. This restraint was discovered in discussions with the Chair of the Institutional Review Board before official submission. (A. Stark, personal communication, May 2, 2014).

Given that the study focused on a single population, bounded by unique experiences, generalization may not be consistently appropriate. This limitation provides that it is up to the reader of the research to determine how much or which elements of this study are generalizable to other situations. The specific market and issues were unique to the organization at that point in time, though the potential exists for other universities and colleges in the future to find themselves in similar situations or circumstances with comparable consequences. While the existing research substantiates and supports the theories of ethical turnarounds and organizational course change, the concepts may not be applicable to all institutions of higher education. Therefore, the results may not be replicable in other cases or to the populations of other educational institutions.

Conclusions

The final interpretation of the results of this research, in light of the research problem, indicates partial success in the turnaround. Overall, these results demonstrate that the university has begun the process and path of a turnaround, at least as perceived by many of the employees at the university in question. However, this does not mean that the process of the turnaround is completed and far more work is needed, as evidenced by the number of respondents that did not see positive change in various areas. As this university has been used by others as a warning against bad behavior and held up as an example of what not to do, the academic community can use the results from this example and research to make course corrections and improvements in their own organizations, using this entity's hard-earned wisdom.

Ultimately, the university began its turnaround in its effort to regain its honor, integrity, and ethics. In an attempt to reverse the trend that "he who has forfeited his honor can lose nothing more" (Syrus, as cited in Lyman, 1856, p. 31), turning around an organization to restore the broken faith in the entity is extremely challenging. Yet the organization "cannot be always torn in two. [It] will have to be one and whole, for many years. [It has] so much to enjoy, and to be, and to do" (Tolkien, 1965, p. 382). The steps that the university has taken have started it on the road to recovery, but can serve both the academy and the profession by being an example of both failure and positive change as a phoenix rising from the ashes of its own malaise. This research bridged the gap between the corporate world of turnaround management to higher education, though not without its challenges. More research is required both at the university in question as well as others to continue studying turnarounds in higher education to encourage the improvement and transition of colleges and universities through problems to stable futures.

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Appendix A: Respondent Solicitation

The following letters were sent soliciting the participation of subjects in the research study.

Initial E-mail to Inform of Survey

Good afternoon, [insert name here]!

As you may know, I have been diligently working on my dissertation these past months. The time has come for me to actually execute the research. Per approvals from the campus Institutional Review Board (see attached), I have been given the go-ahead to survey all of you for my research. *Whether you have been at* [the university] *one day or thirty years – YOUR input is important!*

The procedure is detailed in a personal invitation in this email. Please click the following link: https://www.surveymonkey.com/s/S8BRGLS to complete the survey and claim your optional thank you gift. I very much value your assistance and support in this research project. Also detailed in the link is all information regarding anonymity and confidentiality – you are completely anonymous and all information is entirely confidential.

Thank you for your consideration and assistance in this matter. I greatly appreciate your support and aid in completing this research. Your contribution of roughly 15 minutes is most appreciated! If you have any questions, please do not hesitate to shoot me an email or track me down – I will be happy to answer any questions or explain the purposes of the research in more detail.

Thank you!
Kindest regards,
Ashley

Ashley B. Stark, Doctoral Candidate
George Fox University
Newberg, OR

Week 1 Follow-Up E-mail (after Initial Invitation)

Good afternoon!

By now, all of you should have received your personal invitation to participate in the research for my dissertation. I just wanted to follow up with you all and request your assistance in completing this research. I can personally attest from the data I have received so far that the strictest protocols of confidentiality and anonymity are being achieved. This is why I am sending ALL of you this message again! Unless I have received your printout about the thank you gift, I have no idea who has completed my survey and who has not! :)

I have not yet achieved the critical mass of respondents in this survey, so I respectfully request your continued patience with me to complete this survey. Also, please take note on at the end of the survey as to the thank you gift of $15 to the university bookstore or Amazon gift card – your choice!

Here is the link to the survey: https://www.surveymonkey.com/s/S8BRGLS just in case. If you have any questions, please do not hesitate to contact me at any time. Thank you again for your support and willingness to participate in my dissertation research. Please feel free to ask any questions – I am happy to help!

Thank you!
Sincerest regards,
Ashley

Ashley B. Stark, Doctoral Candidate
George Fox University
Newberg, OR

Week 2 Follow-Up E-mail (after Initial Invitation)

Good afternoon!

I am sure that you all are getting a bit sick of my emails regarding my dissertation research. However, I come to beg your indulgence just a bit longer as I have not yet received the sufficient sample population to complete my research. I need a mere 12 more! So if you thought you did not matter to the survey – YOU DO MATTER! Here is the link, just in case you need it: https://www.surveymonkey.com/s/S8BRGLS

If you have already done the survey, please disregard this email, with my thanks. Thank you all again for your willingness to support my research. Once I reach critical mass in my sample size, I will send everyone their thank you gifts of $15 to the university bookstore or Amazon.com gift certificates.

Thank you!
Sincerest regards,
Ashley

Ashley B. Stark, Doctoral Candidate
George Fox University
Newberg, OR

Week 3 Follow-Up E-mail (after Initial Invitation)

Good evening, [the university]!

I just wanted to send you all a little update regarding my survey. I have reached sufficient sample size and am ready to proceed on the next step towards completing my dissertation. *This would not have been possible without all of you!!!* I will be sending the thank you gifts requested in the survey this week and next.

Thank you to everyone who participated in my research – each and every one of you are appreciated.
Kindest regards,
Ashley

Appendix B: Statement of Informed Consent and Communications

The Statement of Informed Consent

The Statement of Informed Consent was provided in the initial web page of the survey for respondents. Participants read the following and progressed through the survey after clicking the "I accept" button.

Thank you for agreeing to take part in this research. Please click the following link: _________________________ to participate. By participating in this research, you are engaging in a healthy exploration about understanding how a university can move forward after an ethical issue. At the end of the survey, you will have the option to input your name or fill out a paper form to receive a thank you gift of either a $15 university bookstore or Amazon.com gift card.

Purpose of the Study:
The purpose of this study is to examine the perspectives of university employees about the turnaround at the university.

What will be done:
You will complete a survey, requiring approximately 15-30 minutes to complete. The survey includes some demographic questions to describe the general population under study.

Benefits of this Study:
You will be contributing to the understanding about the changes at the university to determine whether the organization and its leadership demonstrated a process/path of an ethical turnaround.

Risks or discomforts:
There are some potential discomforts in taking part in this study. Because it brings up issues of trust, belief and confidence in management, and memories of the university's difficulties, you may be uncomfortable answering questions. If you feel *in any way* uncomfortable with a question, you are free to skip that question or withdraw from the study altogether.

Confidentiality:
Your responses will be kept **completely confidential and anonymous**. The researcher will NOT know your IP address when you respond to the Internet survey. There will be NO WAY to identify you individually, as every potentially identifiable demographic question provides the opportunity to answer "I prefer not to answer." The researcher is utilizing SurveyMonkey.com BECAUSE it prevents the researcher from acquiring ANY individually identifiable information. Only the researcher will be able to access the numerical survey data via a report from SurveyMonkey.com and there will be NO WAY to determine who provided the various responses. The data will be stored in an offsite, secure location with no association to the university. There is NO WAY to determine

who responds to any questions or even identify whether a single individual responded to the survey as it was sent out through this paper invitation. The data will NOT be turned over to the university administration and no one (save the researcher) at the university will have access to the data. Even if you submit your name for the thank you gift, your name CANNOT be matched with your responses.

Contact information:
If you have concerns or questions about this study, please contact Ashley B. Stark (ashley.b.stark@gmail.com or astark10@georgefox.edu) or Dr. Paul Shelton (pshelton@georgefox.edu), Committee Chairperson.

By beginning the survey, you acknowledge that you have read this information and agree to participate in this research, with the knowledge that you are free to withdraw your participation at any time without penalty.

OPTION to Receive a Thank You Gift:
As this experience will require taking some of your time, you have the OPTION to submit your name for a thank you gift. The researcher will be providing a thank you gift of a $15 university bookstore or Amazon.com gift certificate to every participant. To maintain the STRICTEST confidentiality and anonymity in the research, if you are interested in entering in receiving the gift after you have completed the electronic (online) survey via SurveyMonkey.com, please fill out the following information on the link OR on paper and return it to the researcher via campus mail, certifying that you completed the online survey.

Please note: There is NO WAY for the researcher to connect the electronic responses to any paper submission. There is no personally identifiable information requested on the survey, and all data is submitted to the researcher via electronic reports.

Send to: Ashley Stark, May Hall 308

Name:

____

I completed the survey – please send me a $15 gift card:

1) AMAZON.com or ________
2) University bookstore ________

Preferred E-mail Address (to send the electronic certificate to):

____

Appendix C: Survey Instruments

Demographic Questions

1) What is your gender?
    a. Male
    b. Female
    c. "I prefer not to answer"

2) What is your age?
    a. Younger than 20
    b. 21-30
    c. 31-40
    d. 41-50
    e. 51-60
    f. older than 60
    g. "I prefer not to answer"

3) What is the highest level of education you have *completed*?
    a. Some high school
    b. High school graduate or equivalent
    c. Some college
    d. Bachelor's degree
    e. Master's degree
    f. Doctoral degree
    g. "I prefer not to answer"

4) Which of the following best describes your position here?
    a. Completely/Mostly Administrative
    b. Half Administrative/Half Faculty
    c. Completely/Mostly Faculty
    d. Completely/Mostly Staff
    e. "I prefer not to answer"

5) Which of the following best describes your department in the organization?
    a. College of Arts and Sciences (Dean or under Dean of CAS)
    b. College of Education, Business, and Applied Sciences (Dean or under Dean of CEBAS)
    c. Finance and Administration (VP or under Vice President of Finance & Admin)
    d. Student Development (VP or under Vice President of Student Development)
    e. Enrollment Services and Communications (ED or under Executive Director of Enrollment Services and Communications)
    f. Position within Academic Affairs (VPAA or under VPAA)

g. Athletics (Director or under Director of Intercollegiate Athletics)
h. Other position (President or other positions that report directly to the President)
i. “I prefer not to answer”

6) Which of the following best describes your managerial role at the university?
   a. Upper or middle management (Ex. Dean/Director or above)
   b. Junior management (Ex. Assist Director/Department Chair, etc.)
   c. Do not manage other DSU employees (not including work study students)
   d. “I prefer not to answer”

7) How do you describe your level of participation in extracurricular activities on campus?
   a. I attend an average of more than five on campus extracurricular activities (sporting events, events celebrating the arts, symposiums, etc.) per month.
   b. I attend an average of five on campus extracurricular activities (sporting events, events celebrating the arts, symposiums, etc.) per month.
   c. I attend an average of four on campus extracurricular activities (sporting events, events celebrating the arts, symposiums, etc.) per month.
   d. I attend an average of three on campus extracurricular activities (sporting events, events celebrating the arts, symposiums, etc.) per month.
   e. I attend an average of two on campus extracurricular activities (sporting events, events celebrating the arts, symposiums, etc.) per month.
   f. I attend an average of one on campus extracurricular activities (sporting events, events celebrating the arts, symposiums, etc.) per month.
   g. I attend an average of less than one on campus extracurricular activities (sporting events, events celebrating the arts, symposiums, etc.) per month.
   h. “I prefer not to answer”

8) How do you describe the number of hours per week you spend *on campus* executing your specific job duties?
   a. An average of more than 50 hours per week during the traditional school year.
   b. An average of 46-50 hours per week during the traditional school year.
   c. An average of 41-45 hours per week during the traditional school year.
   d. An average of 36-40 hours per week during the traditional school year.
   e. An average of 31-35 hours per week during the traditional school year.
   f. An average of 26-30 hours per week during the traditional school year.
   g. An average of 21-25 hours per week during the traditional school year.
   h. An average of 16-20 hours per week during the traditional school year.
   i. An average of 11-15 hours per week during the traditional school year.
   j. An average of 10 hours or less per week during the traditional school year.
   k. “I prefer not to answer”

9) How do you describe the number of hours per week you spend *off campus* executing your specific job duties?

a. An average of more than 50 hours per week during the traditional school year.
b. An average of 46-50 hours per week during the traditional school year.
c. An average of 41-45 hours per week during the traditional school year.
d. An average of 36-40 hours per week during the traditional school year.
e. An average of 31-35 hours per week during the traditional school year.
f. An average of 26-30 hours per week during the traditional school year.
g. An average of 21-25 hours per week during the traditional school year.
h. An average of 16-20 hours per week during the traditional school year.
i. An average of 11-15 hours per week during the traditional school year.
j. An average of 10 hours or less per week during the traditional school year.
k. "I prefer not to answer"

10) In terms of the problems that the university has faced, on a scale of 1-5, (1-Hardly; 2-Very Little; 3-Neutral; 4-Somewhat; 5-To a Very Large Extent), how "major" would you define the violation of trust/difficulties that the university due to the issues brought to light in the 2010-2011 and 2011-2012 academic years?, also "I prefer not to answer."

11) Overall, how would you rate the "success" of the process/path of the turnaround to date? (1-Hardly; 2-Very Little; 3-Neutral; 4-Somewhat; 5-To a Very Large Extent), also "I prefer not to answer."

Turnaround Management Strategies in Local Authorities Scale **(Beeri, 2009)**

Turnaround Management Strategies in Local Authorities Scale

Retrenchment: Over the past four years, the local authority:	Hardly at All	Very Little	Neutral	Somewhat	To a Very Large Extent
Contracted activities and services scope					
Eliminated particular services					
Decreased service expenditure					
Partially/temporarily exited from specific services					
Liquidated assets in order to raise capital					
Reduced/suspended capital expenditures					
Closed down public organizations					
Created stronger financial control					
Decreased financial support to other organizations					

Repositioning: Over the past four years, the local authority:	Hardly at All	Very Little	Neutral	Somewhat	To a Very Large Extent
Established new services					
Entered into joint activities/co-operated with other agencies					
Extended activities and scope of services					
Changed the priorities of traditional activities					
Rented/sold/mortgaged assets					
Extended availability of services					
Extended marketing efforts (reaching out) to new consumers					
Increased service expenditure					

Modernized capacity of services with equipment utilizing new technologies					
Began to provide services/internal services that were previously purchased					
Loaned money/asked for subvention for reorganization purposes					
Privatized services					
Increased average price of services/levying money					
Redefined core missions					
Ensured high quality of services					
Improved the local authority’s internal and external image					
Introduced new ways of implementation					
Rebuilt stakeholders trust in the local authority					

Reorganization: Over the past four years, the local authority:	Hardly at All	Very Little	Neutral	Somewhat	To a Very Large Extent
Replaced the chief executive officer					
Changed the internal local authority structure					
Replaced senior and middle managers					
Took centralization steps					
Took decentralization steps					
Increased time and efforts in researching consumers’ needs					
Increased time and efforts in becoming a learning organization					
Made changes in human resources management style					
Reshaped and improved the organizational culture and climate					
Invested in staff skills training					

Defined a common vision of the local authority					
Diagnosed the local authority strengths and weaknesses					
Formulated an organizational working plan					
Fought the denial and resistance of employees					

Permission to Use the *Turnaround Management Strategies in Local Authorities Scale*

Dear Dr. Beeri ~

My name is Ashley Stark and I am presently a doctoral candidate at George Fox University in Newberg, Oregon, in the United States. I am presently working on my dissertation proposal for research titled "The Management of Ethical Turnarounds in a Public Institution of Higher Education," under the direction of my committee chaired by Dr. Paul Shelton.

As you know, the field of management has built a wealth of literature on turnaround management as well as the effect unethical actions have upon organizations. In addition, academics and practitioners have developed a substantial body of research on ethical leadership. However, there has been less study on the application of these topics to ethical turnarounds specifically in small, regional, public institutions of higher education. It is important that an institution of higher education that has been affected by an ethical failure of any sort execute a turnaround to restore trust and faith in the organization, internally and externally.

That being said, I, like you, have had trouble finding an appropriate instrument to measure turnarounds in organizations outside of the corporate setting. Coming across your instrument, I was ecstatic as it is highly applicable to my population of a small, regional, public (state) university. Therefore I am writing you to request permission to utilize your *Turnaround Management Strategies in Local Authorities Scale* in my study.

I would like your permission to reproduce and use your survey instrument in my research study, under the following conditions:
1) I will use this survey only for my research study and will not sell it or use it with any compensated or curriculum development activities.
2) I will include the copyright statement on all copies (including electronic) of the instrument.

If these are acceptable terms and conditions, please indicate so by signing a copy of this letter and returning it to me either through postal mail, fax, or e-mail:

Ashley B. Stark
PO Box 1634
Dickinson, ND 58601 USA

Fax: (701) 483-2537 (Attn: Ashley Stark)
Email: astark10@georgefox.edu or ashley.stark@dickinsonstate.edu

Thank you for your consideration!

Sincerest regards,
Ashley B. Stark

Doctoral Candidate

Dear Ashley B. Stark
Doctoral Candidate
These terms and conditions are acceptable. Please feel free to use any materials I published. For your convenience, I attached some of my relevant works. Good luck with your research. I'd be happy to read your dissertation and I'd be happy to consider cooperation in future publications.

27.1.2014

Signature Date

Appendix D: Instrument Reliability and Validity

Turnaround Management Strategies in Local Authorities Scale **(Beeri, 2009)**

Correlation matrix for TMSLA factors (Cronbach's alpha in parentheses).

Factor No.	Mean	SD	1	2	3	4	5	6	7	8
1. Reorganization at the institutional level	4.08	0.71	(0.870)							
2. Retrenchment of services	2.58	0.89	0.015	(0.740)						
3. Repositioning as reaching out	3.35	0.79	0.541	0.018	(0.820)					
4. Reorganization as extent of centralization	2.90	0.63	0.099	0.196	0.385	(0.620)				
5. Repositioning as innovative services	3.64	0.73	0.544	0.231	0.673	0.356	(0.860)			
6. Retrenchment of expenditures	2.70	0.61	0.047	0.353	0.057	0.047	0.283	(0.560)		
7. Repositioning as renewing relationship	3.22	0.58	0.626	0.210	0.685	0.257	0.599	0.157	(0.540)	
8. Reorganization at the personnel level	4.00	0.89	0.239	0.192	0.155	0.294	0.204	0.180	0.189	(0.690)

N = 83–85.

$p < 0.01$. One item was reversed for the Cronbach's alpha procedure. $p < 0.05$.

Appendix E: Institutional Review Board Approvals

GEORGE FOX UNIVERSITY

HUMAN SUBJECTS REVIEW COMMITTEE
PROTECTION OF HUMAN SUBJECTS INITIAL REVIEW QUESTIONNAIRE

[Note: Dissertation, or other formal research proposal, need not be submitted with this form. However, relevant section(s) may need to be attached in some cases, in addition to filling out this form completely, but only when it is not possible to answer these questions adequately in this format. Do not submit a proposal in lieu of filling out this form. In addition, review carefully the full text of the Human Subjects Research Committee Policies and Procedures on page 4 of the Research Manual.]

Date submitted: May 5, 2014 Date received: ___________________

Title of Proposed Research:

The Management of a Turnaround after an Ethical Breach in a Public Institution of Higher Education
____

Principal Researcher(s):

Ashley Stark____

Degree Program _Doctorate of Business Administration – Concentration in Management__

Rank/Academic Standing: Doctoral Candidate____

Other Responsible Parties (if a student, include faculty sponsor; list other involved parties and their role):

Paul Shelton, Ph.D., MBA, Doctoral Committee Chair
____

(**Please include identifying information on page 6 also**.)

(1) Characteristics of Subjects (including age range, status, how obtained, etc):

The approximately 250 subjects are faculty members, staff members, and members of administration at Dickinson State University. They range in age from approximately 20 to mid-70s. Including both men and women, varying in age, department, position, job, and level of responsibility, these subjects all work for Dickinson State University in either a full-time or part-time capacity. This is a convenience sample at Dickinson State University accessed after the research will obtain proper permissions from DSU's Institutional Review Board.

(2) Describe any risks to the subjects (physical, psychological, social, economic, or discomfort/ inconvenience):

Because the issues at Dickinson State were so personal and poignant to the participants, there is the potential for both discomfort and inconvenience to the participants. The survey instrument is designed to look at the improvements at Dickinson State, but might bring up memories of the downturn of the university. Because the past issues resulted in feelings of uncertainty, it will be necessary to protect participants' identities and confidentiality, as well as giving participants an 'out' if they do not want to complete the survey. In addition, this survey is estimated to require 15-30 minutes and will be sent to work e-mail addresses.

(3) Are the risks to subjects minimized (a) by using procedures which are consistent with sound research design and which do not unnecessarily expose subjects to risk, and (b) whenever appropriate, by using procedures already being performed on the subjects for diagnostic or treatment purposes?

Degree of risk:	1	**2**	3	4	5	6	7
	low						high

It is the express purpose of the design of this research to specifically mitigate against risks as much as possible. First, adequate permissions to proceed will be obtained from Dickinson State University's Institutional Review Board. Second, because the research will be executed through an anonymous survey instrument through SurveyMonkey.com, the researcher will receive only numerical results with no identifying personal information, affirming that fact to the participants. Requesting permissions from Dickinson State will demonstrate institutional support. Protecting participants' responses, confidentiality, and identities, even from the researcher through SurveyMonkey.com, while achieving management support to complete the instrument will mitigate the risks to subjects.

(4) Briefly describe the objectives, methods and procedures used:

This research will utilize a non-experimental survey designed from one instrument – *Turnaround Management Strategies in Local Authorities* (Beeri, 2009). The objectives of the research is to determine if Dickinson State University and its leadership demonstrated a process/path of an ethical turnaround after a period of serious crisis.

The research site of Dickinson State University was chosen due to its period of substantial organizational change and potential for turnaround after its internal difficulties, as well as the researcher's access to the population, records, and data related to the site. There have been comparatively few publicized examples of ethical turnarounds in higher education, therefore this research will provide an analysis of how participants perceive the organizational turnaround. In addition, because this site involves a number of complex issues that have been publicized in the local, state, and national media, there are a number of data sources.

Because this study will be of a specific organization, adequate permission will also be sought from Dickinson State University via request via its Institutional Review Board. The identities and positions of all participants will be obscured to all users including the primary researcher through statistical sampling via SurveyMonkey.com to maintain confidentiality and anonymity.

Because this research will be undertaken at the researcher's place of employment, the researcher will approach Dickinson State University's management to request permission to conduct the study and work with the University's Institutional Review Board. Once the proper permissions are achieved, the SurveyMonkey.com platform that combines the demographic questions and instrument will be distributed via the researcher's personal email to faculty and staff members (email addresses obtained from public record). The e-mail will detail the purpose of the survey and its importance, as well as provide a statement of thanks and contact information for the researcher for debriefing. Once the initial emails are sent to the Dickinson State University faculty and staff, follow-up e-mails will be sent weekly for three to four weeks to encourage additional responses. Participants will be offered a thank you gift of a bookstore or Amazon.com gift card. Once the data is collected via SurveyMonkey.com, various statistical methods will be used to assess the results to determine potential relationships within the data – regression and correlation, among others.

(5) Briefly describe any instruments used in the study (**attach a copy of each**).

The survey will use a survey designed from the *Turnaround Management Strategies in Local Authorities* instrument. This instrument has been vetted by prior researchers. The survey uses a five-point Likert-scale to ask if organizations executed various strategies in retrenchment, repositioning, and reorganization, and to what extent management utilized these strategies as perceived by participants (employees).

See Appendix for Survey Instruments.

(6) How does the research plan make adequate provision for monitoring the data collected so as to insure the safety, privacy and confidentiality of subjects?

Responses collected via SurveyMonkey.com will be kept **completely confidential**. Not only will the researcher not know the participant's IP address, but there will be no way to identify subjects individually, as every potentially identifiable demographic question provides the opportunity to answer "I prefer not to answer." The data will be accessed from SurveyMonkey.com with only the numerical responses available. In addition, only the researcher will be able to access the numerical survey data and will not be individually identifiable. The data will be stored in an offsite, secure location.

(7) Briefly describe the benefits that may be reasonably expected from the proposed study, both to the subject and to the advancement of scientific knowledge – are the risks to subjects reasonable in relation to anticipated benefits?

The purpose of this study is to examine the perspectives of Dickinson State University (DSU) employees about the turnaround at DSU, leadership, and trust. Participants will be contributing to the understanding about the changes at Dickinson State University to determine whether DSU and its leadership demonstrated a process/path of an ethical turnaround. The results of this study will be used for scholarly purposes in education and business to assist other organizations in their organizational turnarounds, adding to the body of knowledge in the field.

(8) Where some or all of the subjects are likely to be vulnerable to coercion or undue influence (such as children, persons with acute or severe physical or mental illness, or persons who are economically or educationally disadvantaged), what appropriate additional safeguards are included in the study to protect the rights and welfare of these individuals?

This issue is not applicable. None of the participants fall into the categories of vulnerable populations.

(9) Does the research place participants "at risk"? _yes – to a minor degree________ If so, describe the procedures employed for obtaining **informed consent** (***in every case, attach copy of informed consent form; if none, explain***).

As this research will be undertaken using SurveyMonkey.com at the will of participants, the methodology will allow willing participants to submit answers anonymously, but unwilling participants will simply not engage in the study. To ensure informed consent, the attached statement will be provided on the face of the instrument in SurveyMonkey.com as well as the original e-mail request to take the survey.

Addendum to IRB Application, per IRB Committee

Data Protection

The data will be secured via on password protected computers, on a password protected and encrypted survey platform of SurveyMonkey.com. As the researcher will be obtaining her own password protected, professional (paid) account, the data is maintained on their encrypted and password protected servers. The password protected computers will be secured in the researcher's home, again, locked, and protected with all data backups on a password-protected server (SurveyMonkey.com).

Demographic Questions – Updates

1) What is your gender?
   a. Male
   b. Female
   c. "I prefer not to answer"

2) What is your age?
   a. Younger than 20
   b. 21-30
   c. 31-40
   d. 41-50
   e. 51-60
   f. older than 60
   g. "I prefer not to answer"

3) What is the highest level of education you have *completed*?
   a. Some high school
   b. High school graduate or equivalent
   c. Some college
   d. Bachelor's degree
   e. Master's degree
   f. Doctoral degree
   g. "I prefer not to answer"

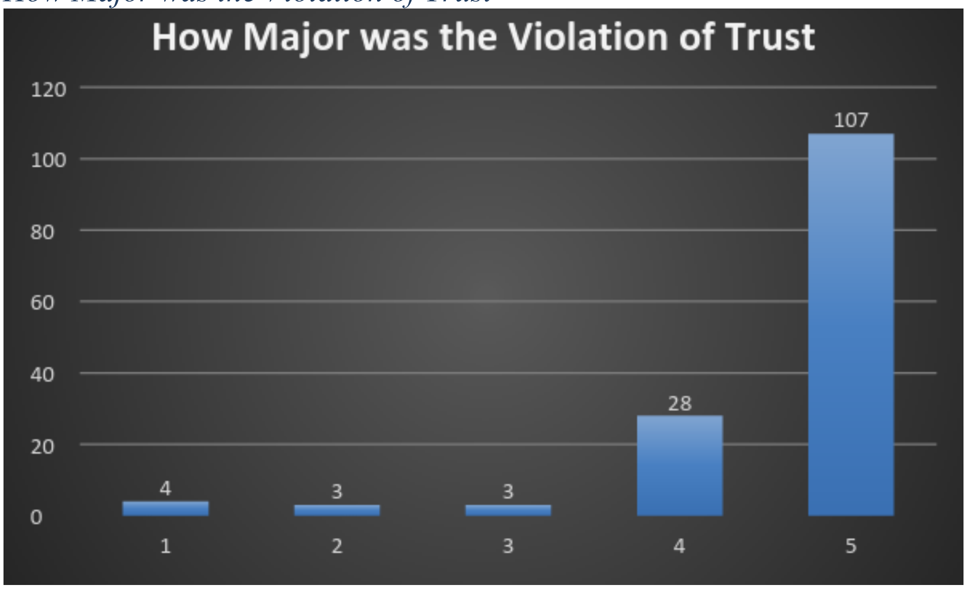
4) When did you start your employment at the university (by Academic/Fiscal Year)?
   a. Prior to the 2011-2012 Academic Year
   b. During or after the 2011-2012 Academic Year
   c. "I prefer not to answer"

5) Which of the following best describes your position here?
   a. Completely/Mostly Administrative
   b. Half Administrative/Half Faculty
   c. Completely/Mostly Faculty
   d. Completely/Mostly Staff

Appendix F: Additional Statistical Tables, Matrices, and Graphics

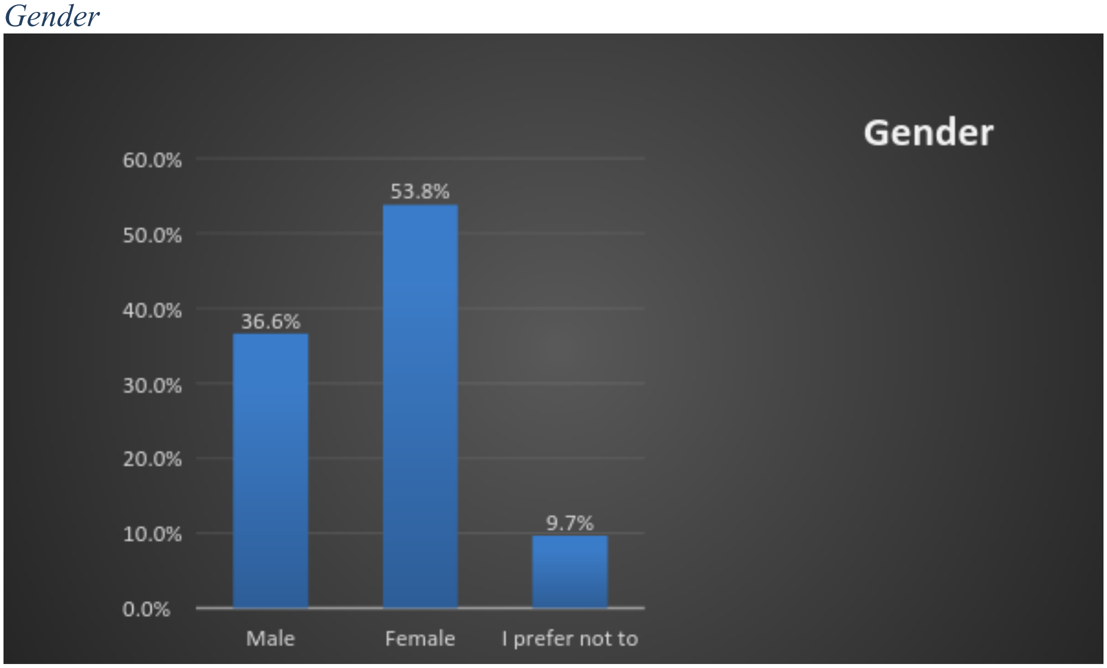
Graph 1

How Major was the Violation of Trust



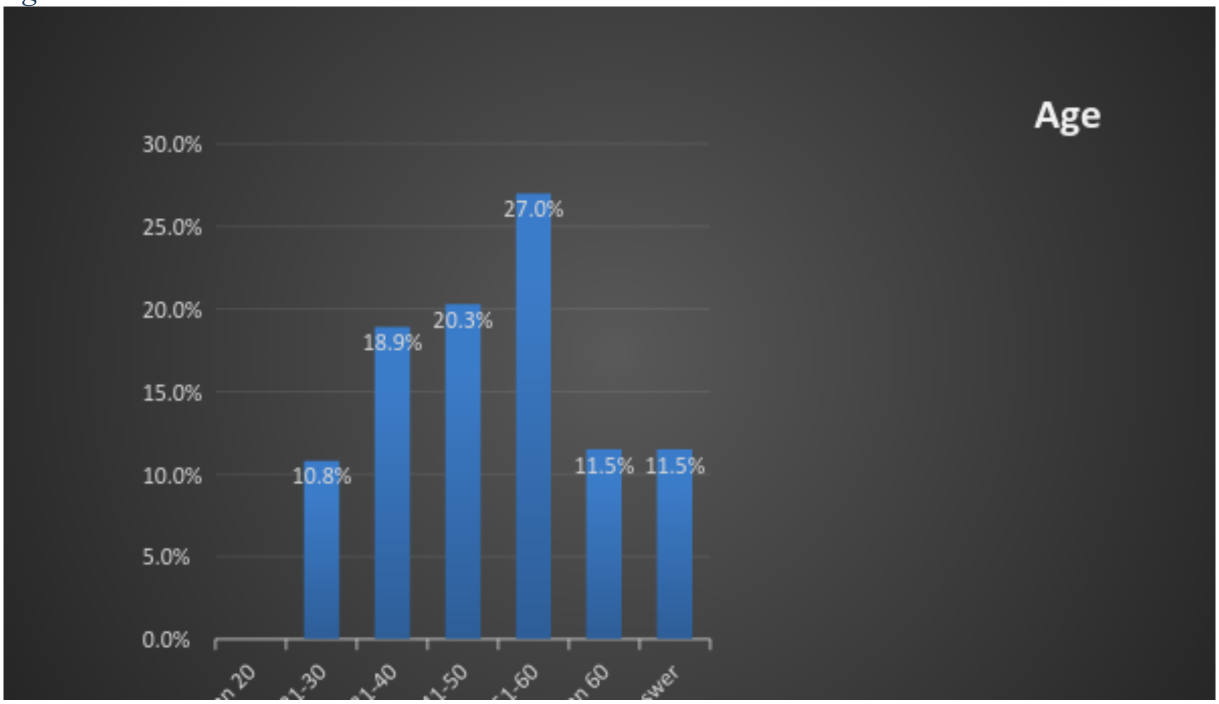
Graph 2

Gender



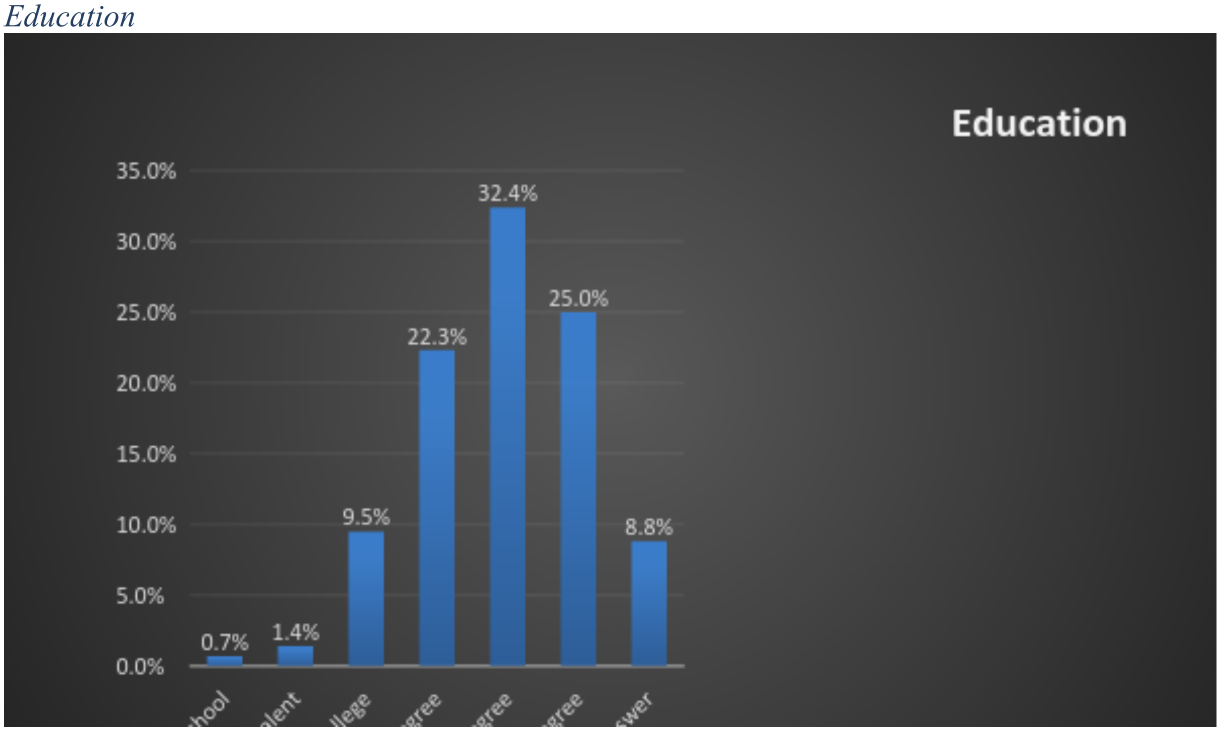
Graph 3

Age



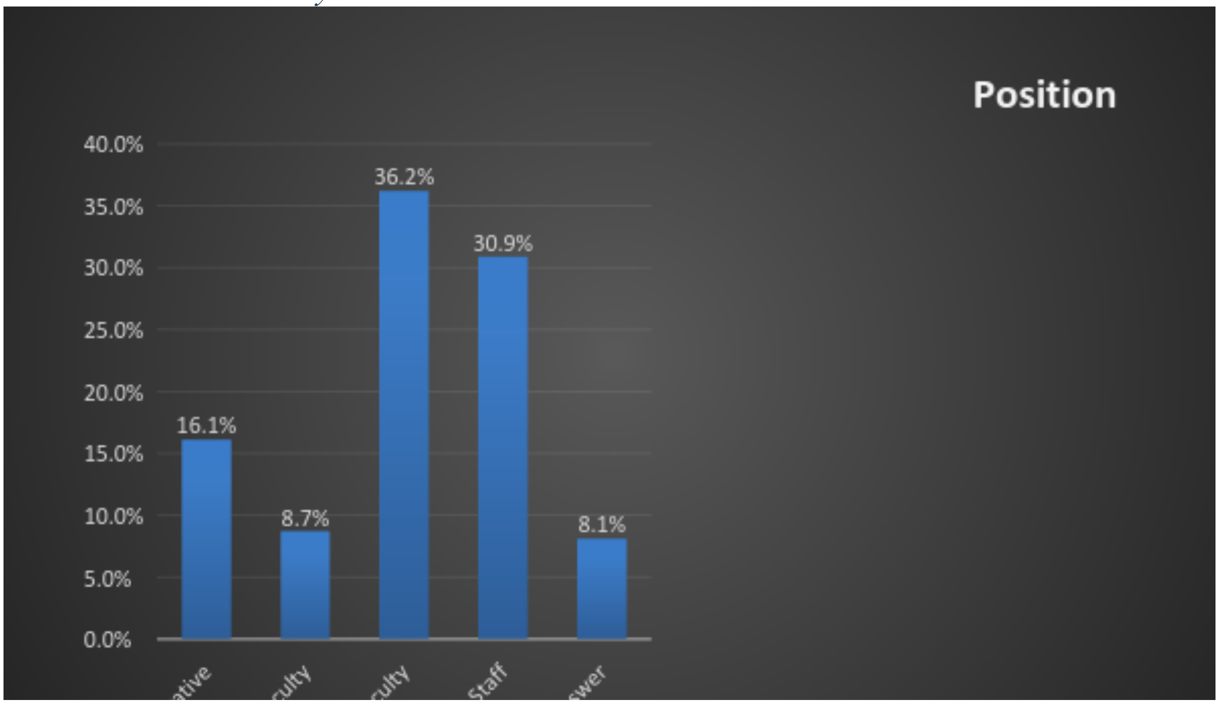
Graph 4

Education



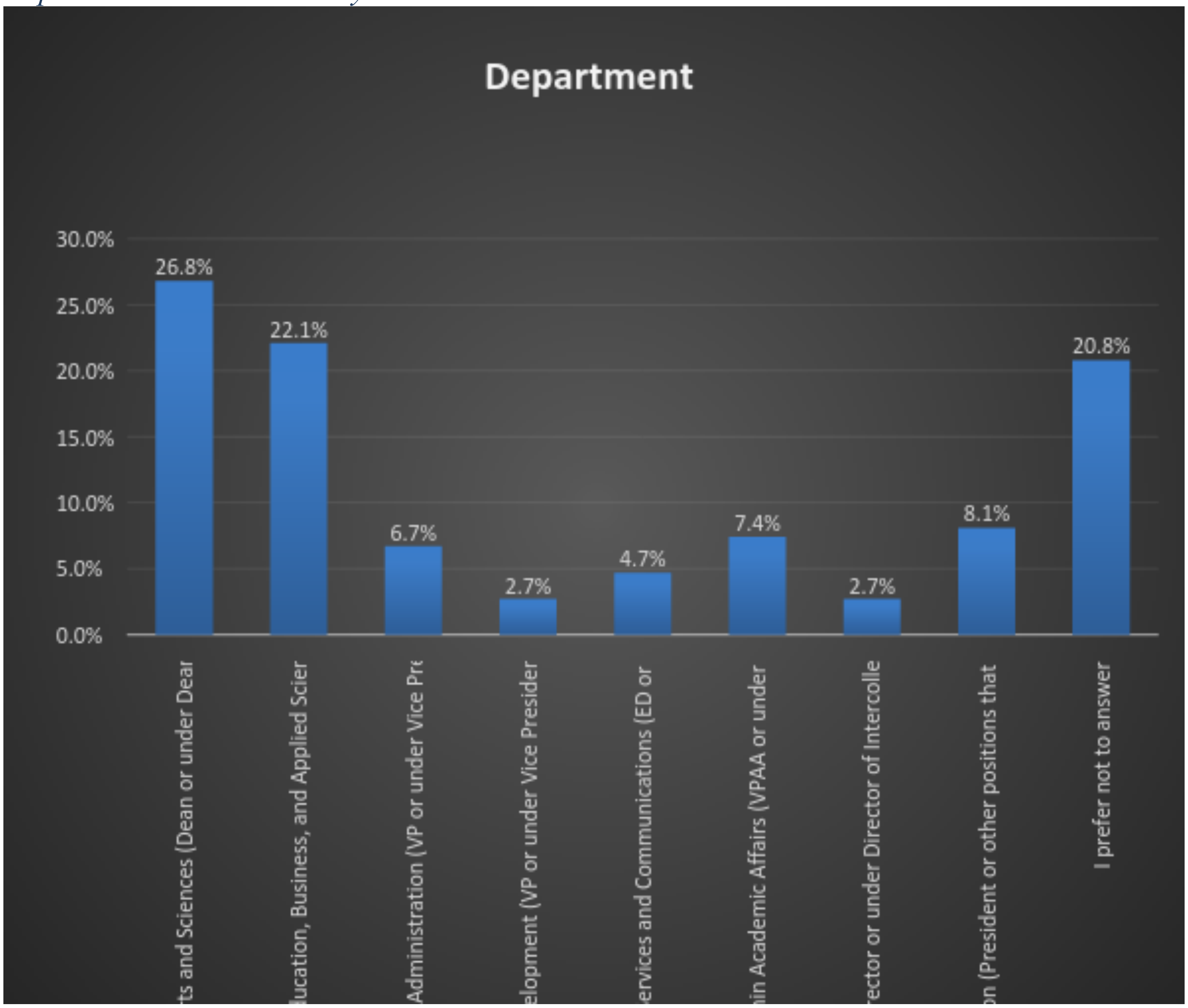
Graph 5

Position at the University



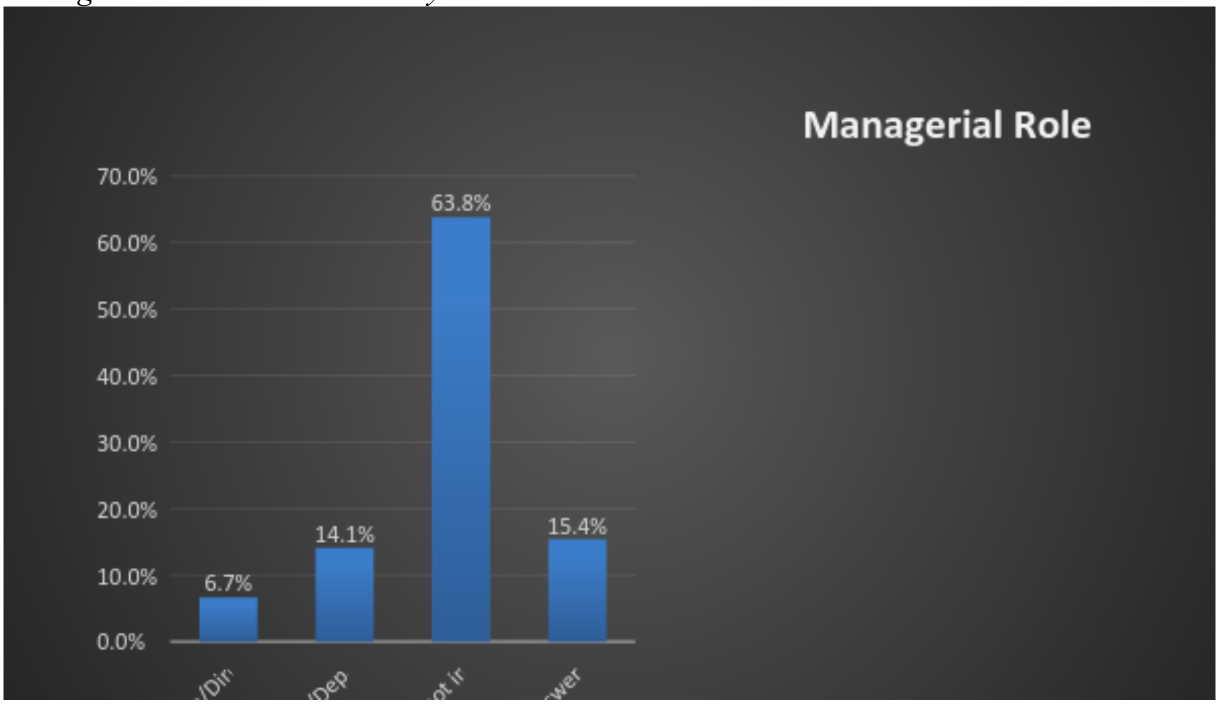
Graph 6

Department at the University



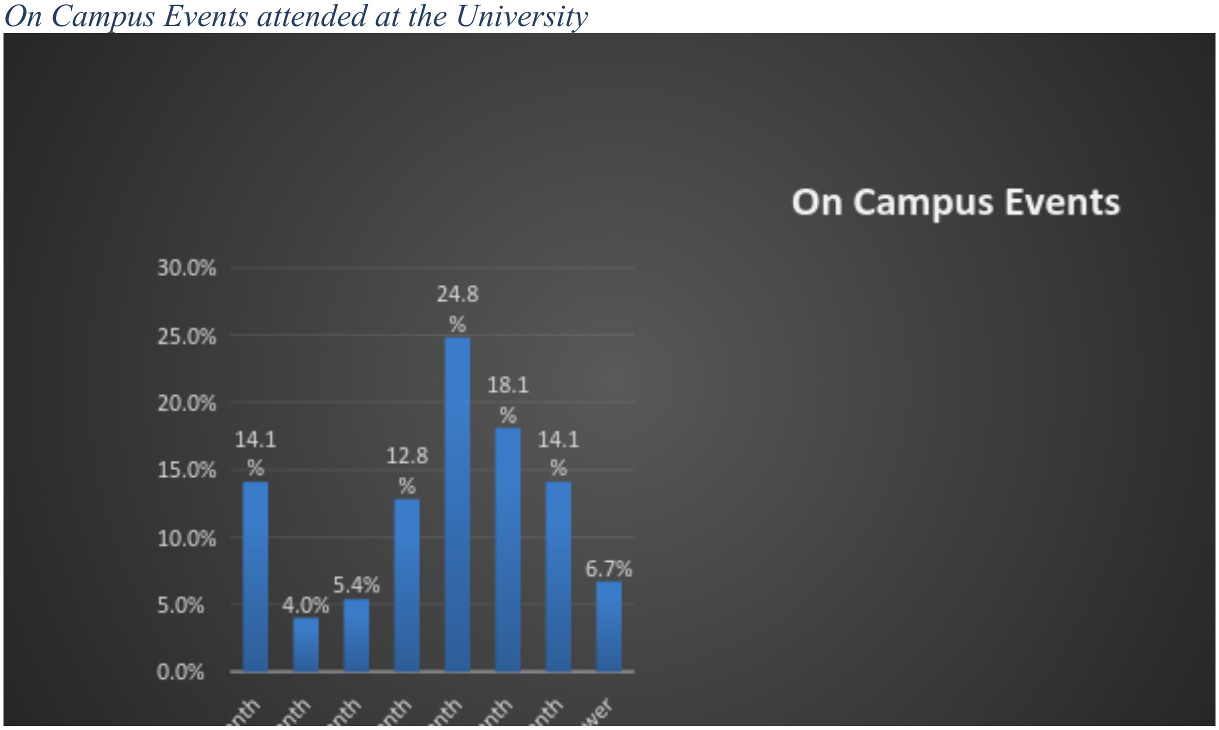
Graph 7

Managerial Role at the University



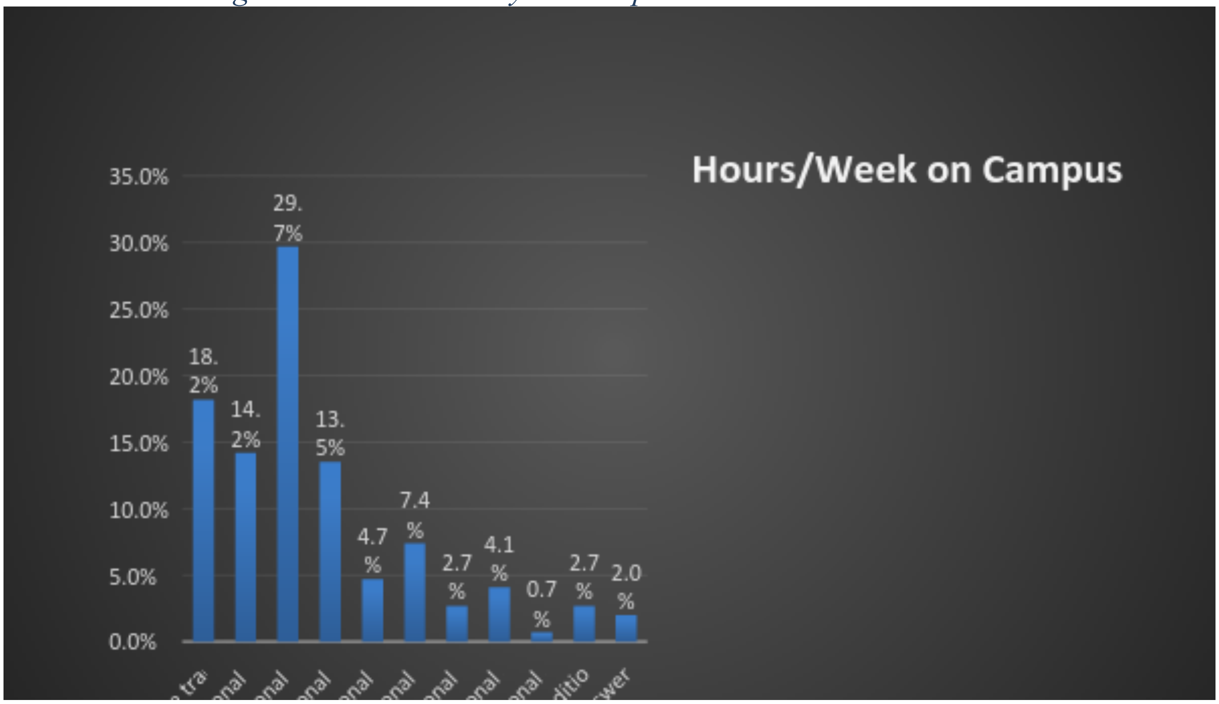
Graph 8

On Campus Events attended at the University



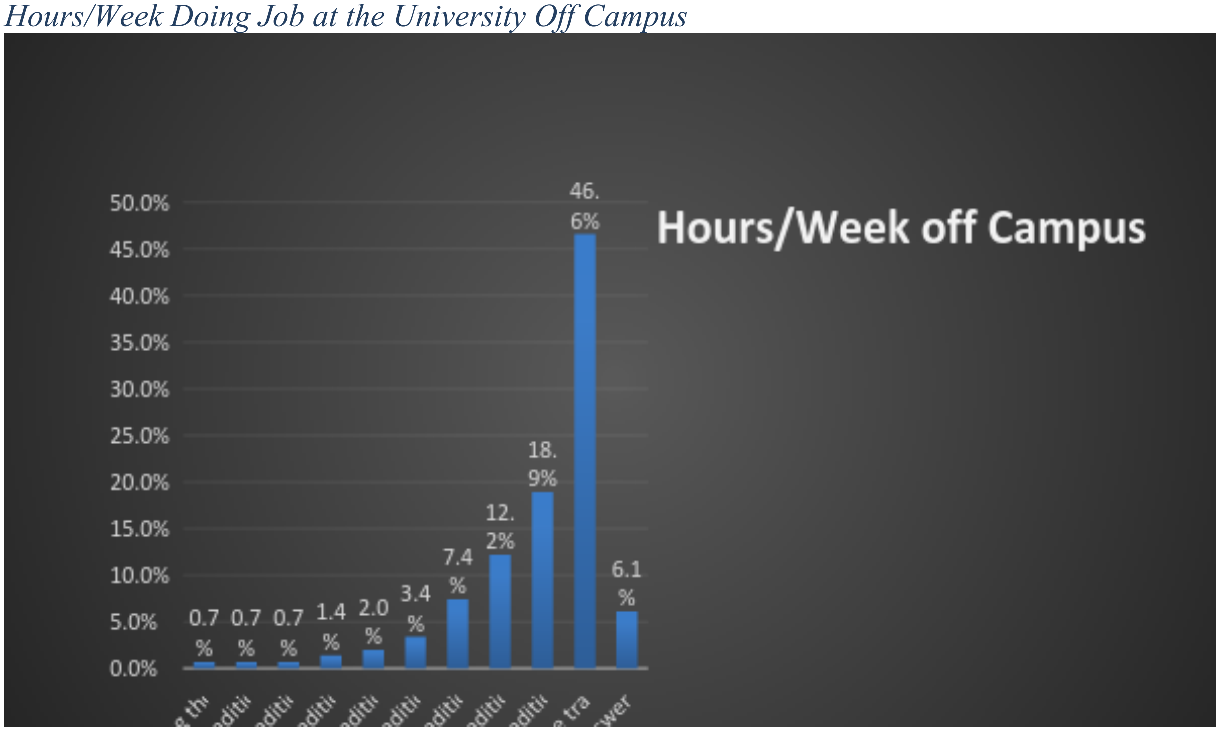
Graph 9

Hours/Week Doing Job at the University on Campus



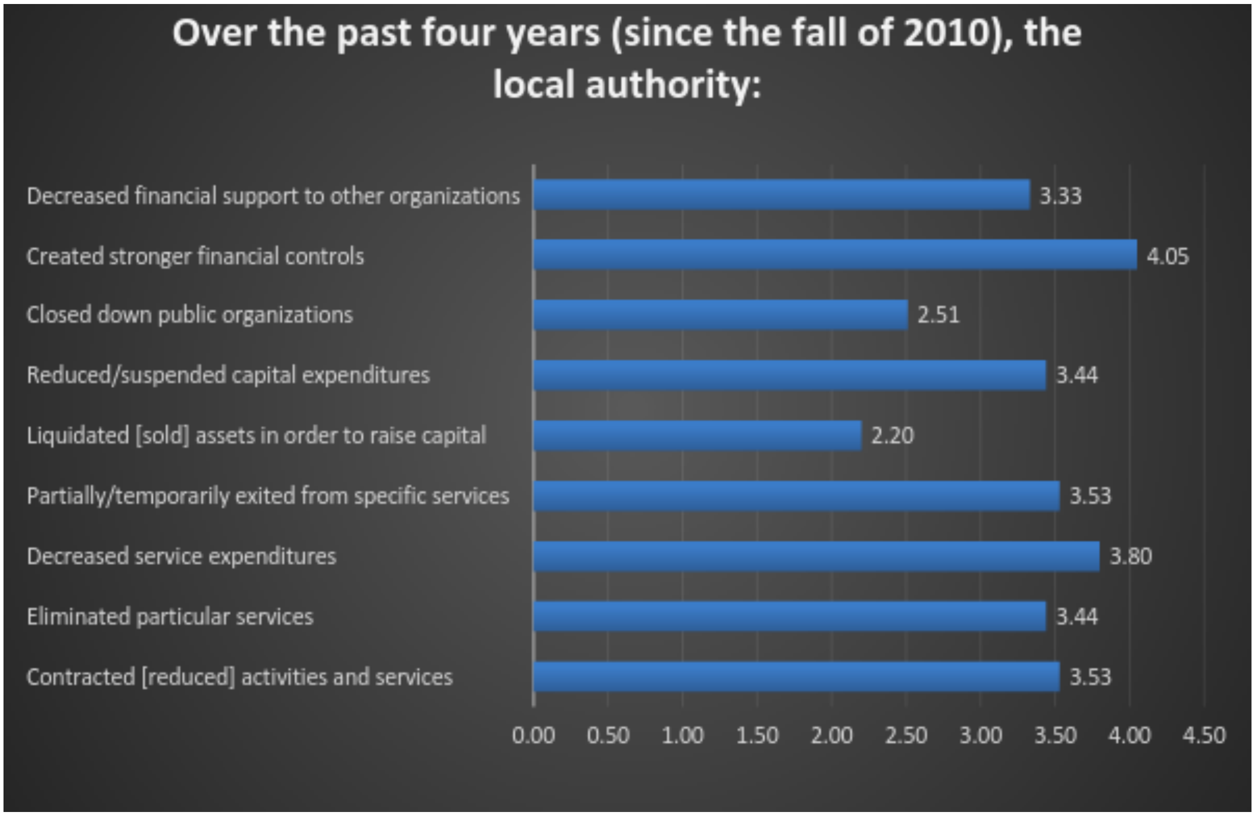
Graph 10

Hours/Week Doing Job at the University Off Campus



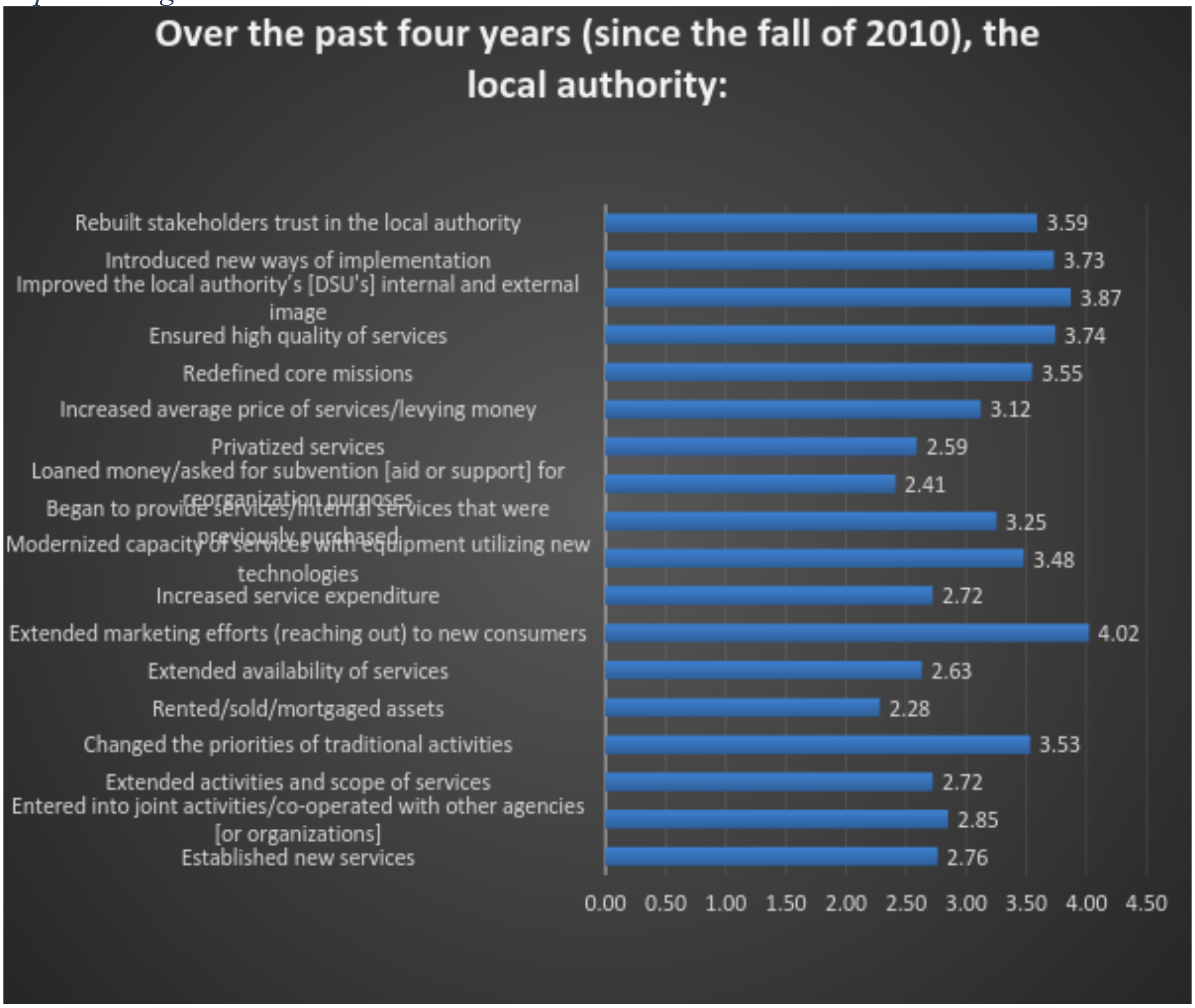
Graph 11

Retrenchment Activities



Graph 12

Repositioning Activities



Graph 13

Reorganization Activities

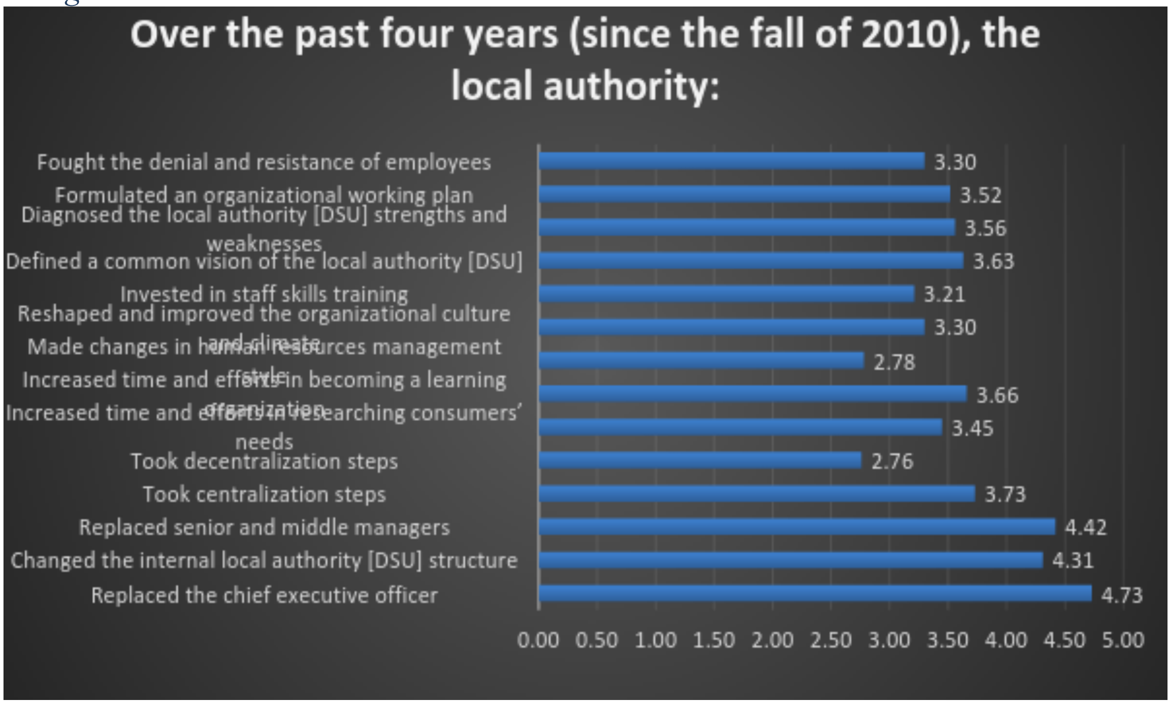


Table 59

Hypotheses 1: Full Correlation Matrix

Correlations

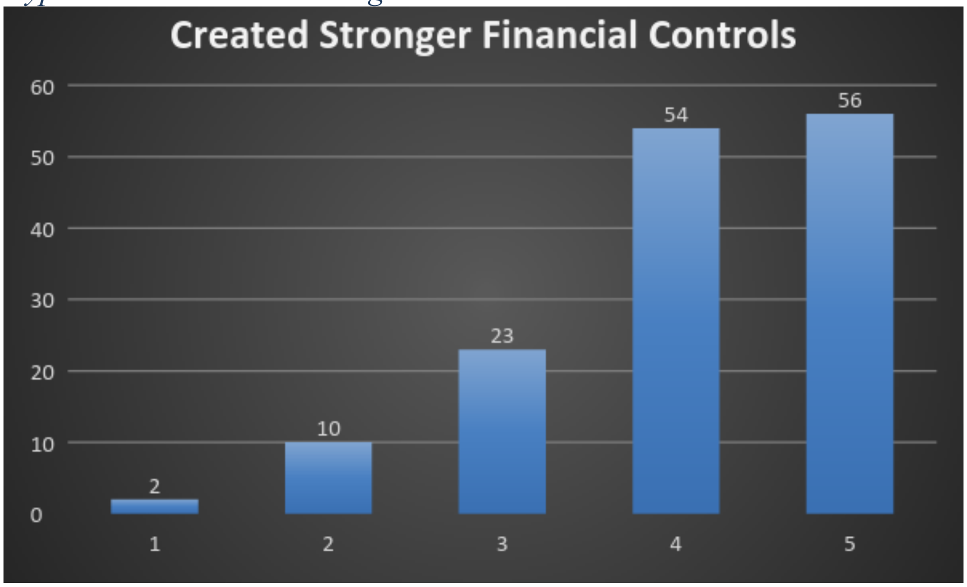
		Replaced the chief executive officer	Changed the internal local authority [DSU] structure	Replaced senior and middle managers	Took centralization steps	Took decentralization steps	Increased time and efforts in researching consumers' needs	Increased time and efforts in becoming a learning organization	Made changes in human resources management style	Reshaped and improved the organizational culture and climate	Invested in staff skills training	Defined a common vision of the local authority [DSU]	Diagnosed the local authority [DSU] strengths and weaknesses	Formulated an organizational working plan	Fought the denial and resistance of employees	Rating the "success" of the turnaround to date
Replaced the chief executive officer	Pearson Correlation	1	.467**	.559**	.278**	-.003	.142	.106	.062	.082	.162	.157	.069	.065	.045	.115
	Sig. (2-tailed)		.000	.000	.002	.976	.103	.227	.481	.348	.062	.068	.424	.461	.615	.186
	N	138	136	136	125	121	133	133	133	134	134	136	136	132	127	135
Changed the internal local authority [DSU]	Pearson Correlation	.467**	1	.658**	.409**	.092	.333**	.285**	.258**	.224**	.274**	.343**	.238**	.210*	.063	.252**
	Sig. (2-tailed)	.000		.000	.000	.299	.000	.001	.002	.007	.001	.000	.004	.012	.469	.002
	N	136	147	144	134	129	144	143	143	143	145	146	146	142	135	145
Replaced senior and middle managers	Pearson Correlation	.559**	.658**	1	.462**	.089	.308**	.237**	.208*	.186*	.200*	.301**	.243**	.229**	.099	.282**
	Sig. (2-tailed)	.000	.000		.000	.316	.000	.005	.013	.026	.017	.000	.003	.006	.254	.001
	N	136	144	146	133	128	142	141	141	143	143	145	145	141	134	144
Took centralization steps	Pearson Correlation	.278**	.409**	.462**	1	-.179*	.201*	.220*	.252**	.149	.210*	.243**	.149	.146	.070	.221*
	Sig. (2-tailed)	.002	.000	.000		.043	.020	.011	.004	.085	.015	.005	.084	.093	.431	.011
	N	125	134	133	135	128	134	133	131	134	134	135	135	133	127	133
Took decentralization steps	Pearson Correlation	-.003	.092	.089	-.179*	1	.364**	.252**	.284**	.365**	.128	.340**	.255**	.215*	-.073	.212*
	Sig. (2-tailed)	.976	.299	.316	.043		.000	.004	.001	.000	.148	.000	.003	.015	.420	.016
	N	121	129	128	128	130	129	128	127	129	129	130	130	128	124	128
Increased time and efforts in researching consumer	Pearson Correlation	.142	.333**	.308**	.201*	.364**	1	.631**	.422**	.576**	.516**	.623**	.646**	.622**	.043	.554**
	Sig. (2-tailed)	.103	.000	.000	.020	.000		.000	.000	.000	.000	.000	.000	.000	.623	.000
	N	133	144	142	134	129	145	143	140	143	143	144	145	141	134	143
Increased time and efforts in becoming a learning organizati	Pearson Correlation	.106	.285**	.237**	.220*	.252**	.631**	1	.440**	.612**	.554**	.648**	.610**	.580**	.237**	.452**
	Sig. (2-tailed)	.227	.001	.005	.011	.004	.000		.000	.000	.000	.000	.000	.000	.006	.000
	N	133	143	141	133	128	143	144	139	142	142	143	144	140	133	142
Made changes in human resources management style	Pearson Correlation	.062	.258**	.208*	.252**	.284**	.422**	.440**	1	.536**	.506**	.387**	.314**	.340**	.063	.300**
	Sig. (2-tailed)	.481	.002	.013	.004	.001	.000	.000		.000	.000	.000	.000	.000	.470	.000
	N	133	143	141	131	127	140	139	144	140	141	142	143	139	134	142
Reshaped and improved the organizational	Pearson Correlation	.082	.224**	.186*	.149	.365**	.576**	.612**	.536**	1	.613**	.607**	.599**	.581**	.036	.531**
	Sig. (2-tailed)	.348	.007	.026	.085	.000	.000	.000	.000		.000	.000	.000	.000	.678	.000
	N	134	143	143	134	129	143	142	140	146	143	144	145	141	134	144
Invested in staff skills training	Pearson Correlation	.162	.274**	.200*	.210*	.128	.516**	.554**	.506**	.613**	1	.509**	.483**	.490**	.181*	.381**
	Sig. (2-tailed)	.062	.001	.017	.015	.148	.000	.000	.000	.000		.000	.000	.000	.037	.000
	N	134	145	143	134	129	143	142	141	143	147	145	145	141	133	145
Defined a common vision of the local authority [DSU]	Pearson Correlation	.157	.343**	.301**	.243**	.340**	.623**	.648**	.387**	.607**	.509**	1	.774**	.739**	.138	.493**
	Sig. (2-tailed)	.068	.000	.000	.005	.000	.000	.000	.000	.000	.000		.000	.000	.112	.000
	N	136	146	145	135	130	144	143	142	144	145	147	146	143	134	145
Diagnosed the local authority [DSU] strengths and	Pearson Correlation	.069	.238**	.243**	.149	.255**	.646**	.610**	.314**	.599**	.483**	.774**	1	.799**	.136	.533**
	Sig. (2-tailed)	.424	.004	.003	.084	.003	.000	.000	.000	.000	.000	.000		.000	.114	.000
	N	136	146	145	135	130	145	144	143	145	145	146	148	143	136	146
Formulated an organizational working plan	Pearson Correlation	.065	.210*	.229**	.146	.215*	.622**	.580**	.340**	.581**	.490**	.739**	.799**	1	.143	.495**
	Sig. (2-tailed)	.461	.012	.006	.093	.015	.000	.000	.000	.000	.000	.000	.000		.100	.000
	N	132	142	141	133	128	141	140	139	141	141	143	143	143	133	142
Fought the denial and resistance of employees	Pearson Correlation	.045	.063	.099	.070	-.073	.043	.237**	.063	.036	.181*	.138	.136	.143	1	-.014
	Sig. (2-tailed)	.615	.469	.254	.431	.420	.623	.006	.470	.678	.037	.112	.114	.100		.876
	N	127	135	134	127	124	134	133	134	134	133	134	136	133	136	134
Rating the "success" of the turnaround to date	Pearson Correlation	.115	.252**	.282**	.221*	.212*	.554**	.452**	.300**	.531**	.381**	.493**	.533**	.495**	-.014	1
	Sig. (2-tailed)	.186	.002	.001	.011	.016	.000	.000	.000	.000	.000	.000	.000	.000	.876	
	N	135	145	144	133	128	143	142	142	144	145	145	146	142	134	148

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

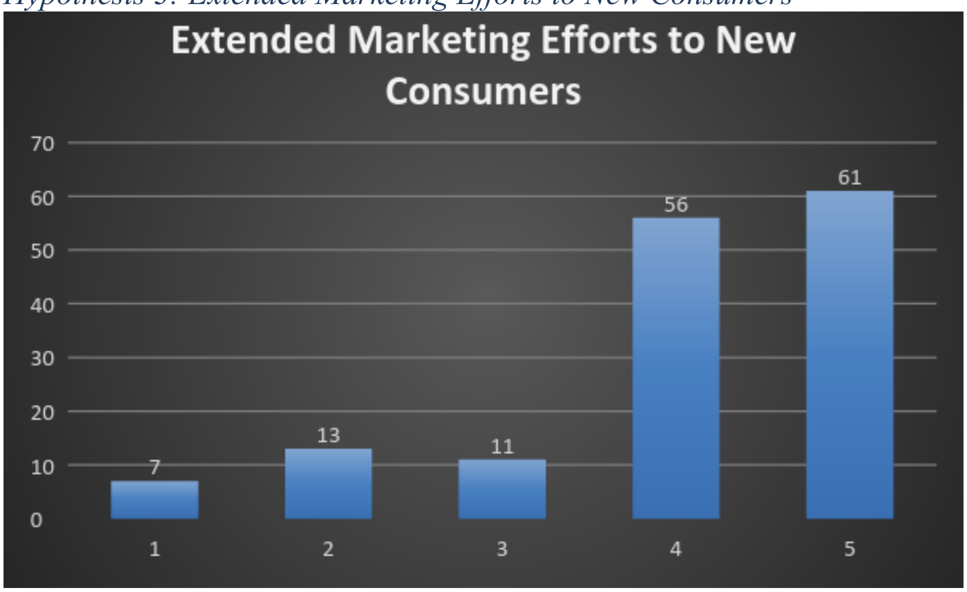
Graph 14

Hypothesis 2: Created Stronger Financial Controls



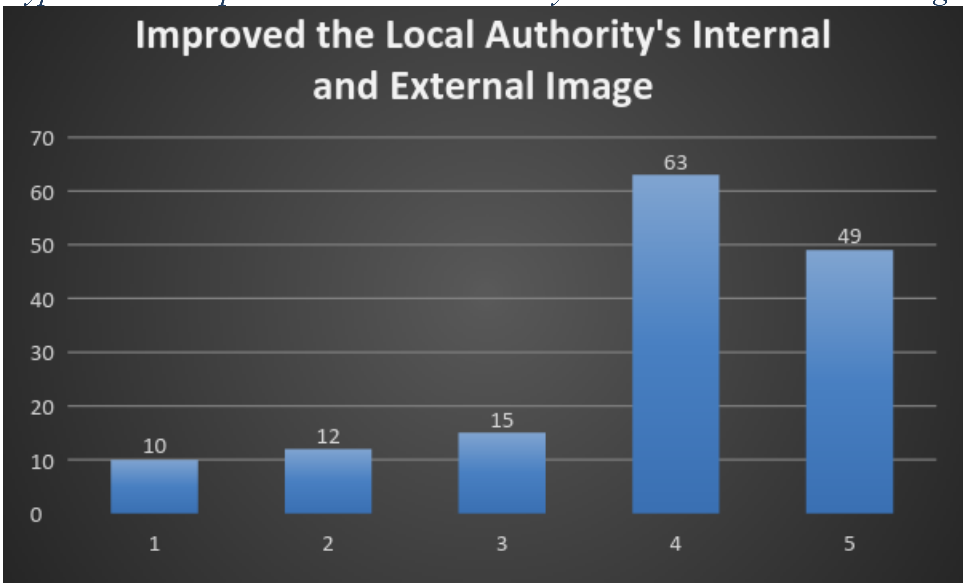
Graph 15

Hypothesis 3: Extended Marketing Efforts to New Consumers



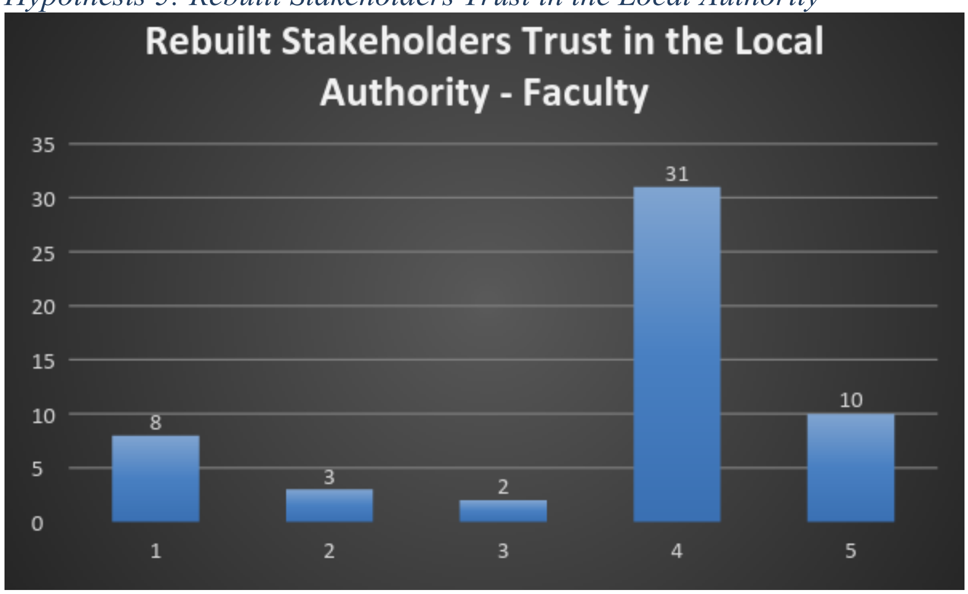
Graph 16

Hypothesis 4: Improved the Local Authority's Internal and External Image



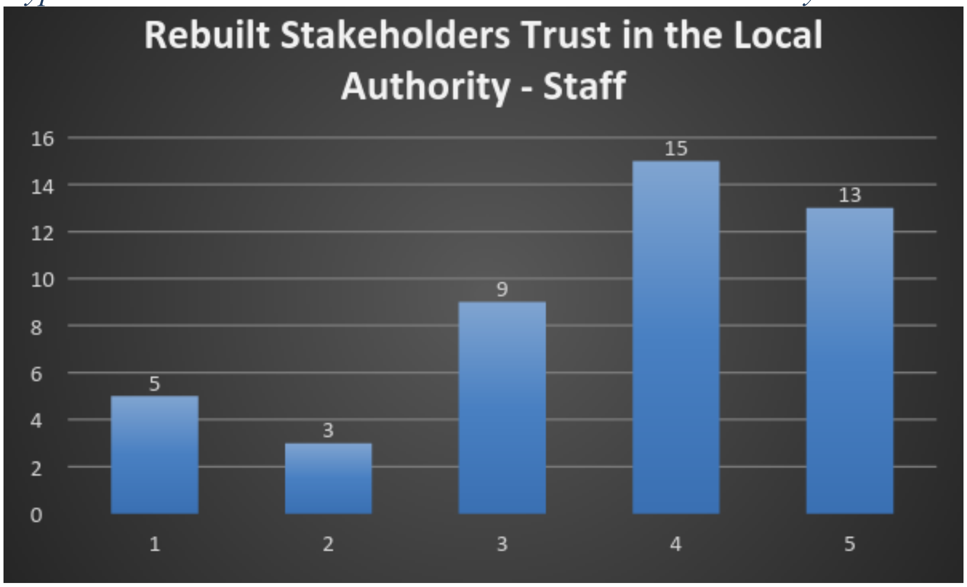
Graph 17

Hypothesis 5: Rebuilt Stakeholders Trust in the Local Authority



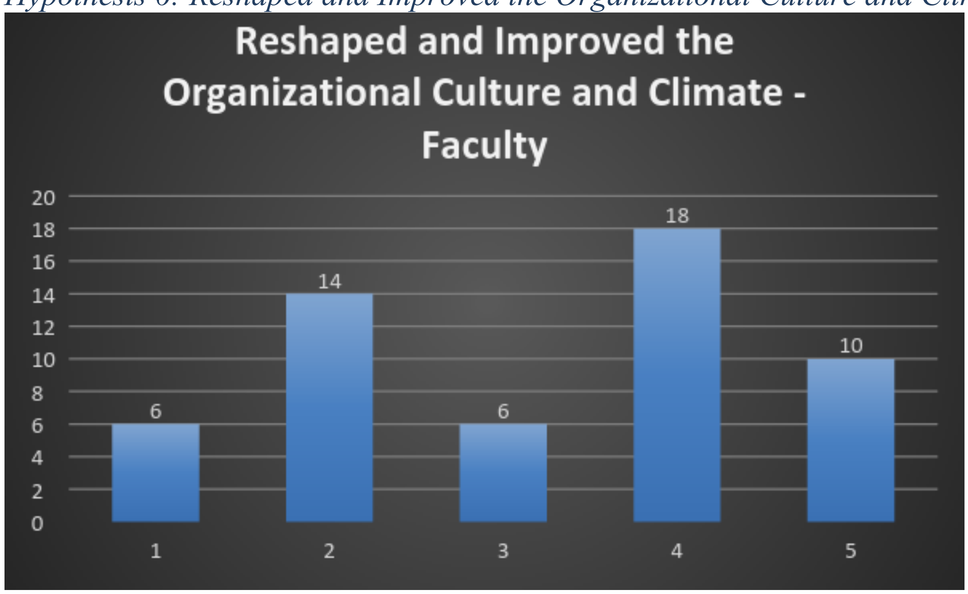
Graph 18

Hypothesis 5: Rebuilt Stakeholders Trust in the Local Authority



Graph 19

Hypothesis 6: Reshaped and Improved the Organizational Culture and Climate - Faculty

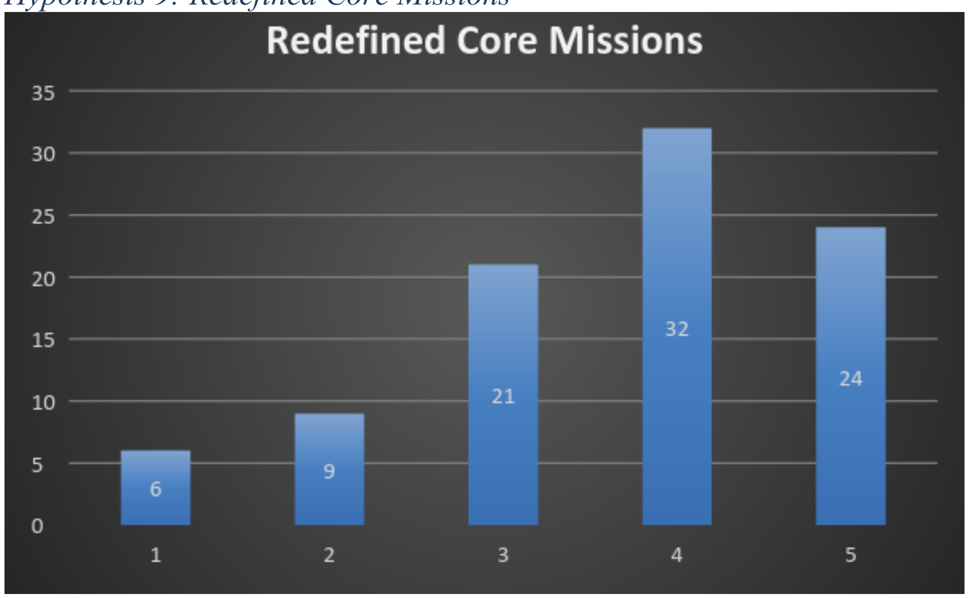


Graph 20

Hypothesis 6: Reshaped and Improved the Organizational Culture and Climate - Staff

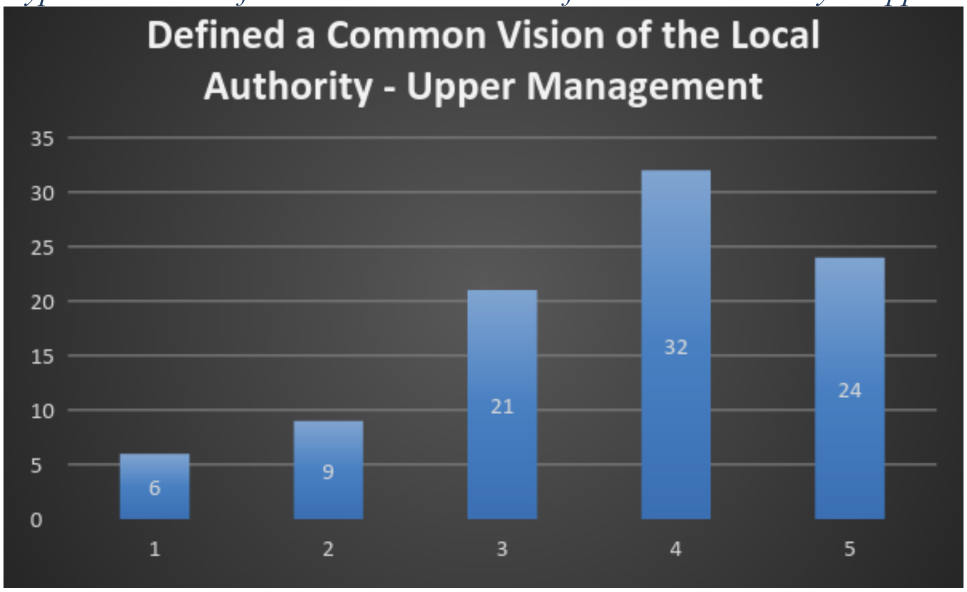
Graph 21

Hypothesis 9: Redefined Core Missions



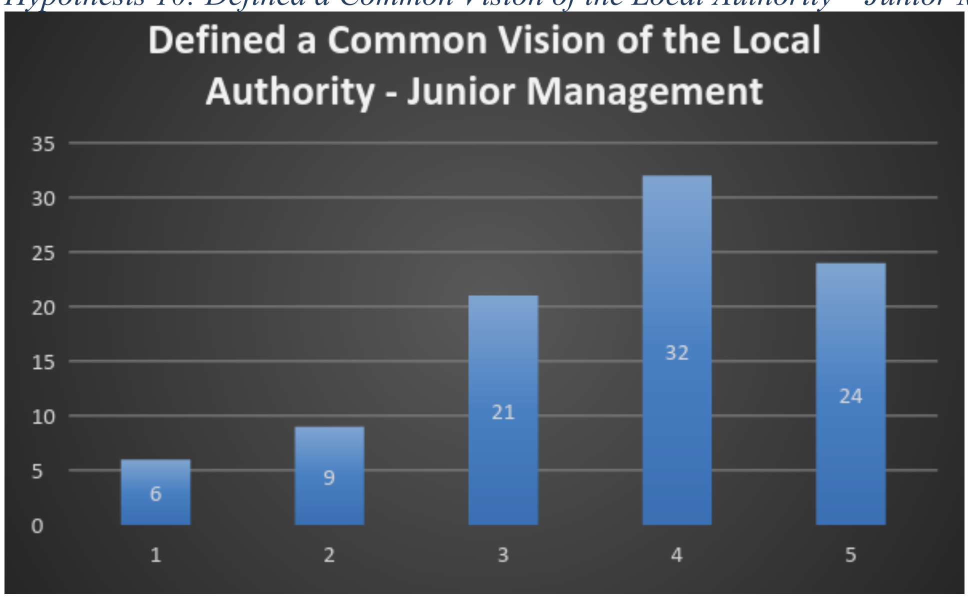
Graph 22

Hypothesis 10: Defined a Common Vision of the Local Authority – Upper Management



Graph 23

Hypothesis 10: Defined a Common Vision of the Local Authority – Junior Management



Graph 24

Hypothesis 10: Defined a Common Vision of the Local Authority – Non-Managing