AN ANALYSIS OF PRIORITY SETTING AND RESOURCE ALLOCATION IN ONTARIO COLLEGES OF APPLIED ARTS AND TECHNOLOGY

by

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A thesis submitted in conformity with the requirements for the degree of Doctor of Philosophy
Graduate Department of Theory and Policy Studies in Education
Ontario Institute for Studies in Education of the University of Toronto

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Doctor of Philosophy 2001
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ABSTRACT

This study examined the decision-making processes for determining priorities and allocating resources in community colleges in Ontario. The study also examined how teaching and learning were considered in relation to resource allocation decision-making.

The objectives of this study were accomplished through qualitative analytical methods, using a case study approach of three community colleges in Ontario. This included interviews and a review of college and Ministry of Education and Training documents. The data were collected to cover the period from 1995 to 1999.

The following conclusions have been drawn from the study. 1) The decision-making processes for determining priorities and allocating resources used in the three colleges are situational and strongly shaped by the prevailing organizational culture in the individual college. 2) In the colleges where there was more democratic and transparent governance faculty morale and trust were higher. 3) Participation by faculty in resource allocation decision-making in the colleges was varied and incomplete and without power and authority to make a difference in final decisions and implementation. 4) Colleges became more market driven and shifted resources away from teaching and learning into
finding alternate sources of funding when public funding declined. 5) Decision-making to allocate resources was more closely linked to politics and to fiscal constraints than to enhancing quality and organizational effectiveness. 6) The findings of this study support the view that the actions of organizations emerge from a combination of the structure of the external environment and the internal behaviour of the organization.
ACKNOWLEDGMENTS

This work could not have been completed without the guidance, support and supervision of Dr. Glen Jones. His support and critical acumen have been very important to the completion of this dissertation. I thank him most kindly. I wish also to thank my other committee members: Dr. Daniel Lang, and Dr. Michael Skolnik who read and commented on my work and encouraged me to ask other important questions of my material. Their contribution was instrumental to the formation of the arguments in this dissertation.

I would like to extend thanks to my colleagues Dr. Ralston Walters, Professor Geoffrey Prince and Dr. John Kennedy, for their support, their encouragement and their commentary and feedback on various aspects of the research for this dissertation. Without their help this would have been a far more difficult task. I thank them very much.

I wish also to thank my brother, Dr. Rinaldo Walcott for his help. Also, I want to thank my family in Toronto: Anton, Victor, Justin and Sydneé Walcott and Nancy Boyce for putting up with my continued interest in these issues and asking them to live with them. My family members in Barbados and England have given me long distance support as well. I thank them all.

I developed a love for learning a long time ago in Barbados. Ms. Maisie Welch, one of my primary school teachers taught me to love learning and I will always thank her for that lesson.

Finally, this dissertation is dedicated to the memory of my parents, Mr. Sidney and Ms. Erla Walcott, who would have been extremely proud of my accomplishment had they lived to witness this.
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CHAPTER ONE

INTRODUCTION

1.0 Introduction

In this study I examined the decision-making processes for determining priorities and for allocating resources in community colleges in Ontario. I also explored how resource allocation decisions helped to frame the learning and teaching environment in the colleges. To investigate this issue I developed the following research questions: (1) How do the decision-making processes for determining priorities and for allocating resources operate in the Ontario CAATs? (2) Why were these decision-making processes chosen to determine priorities and to allocate resources? (3) What considerations were given to teaching and learning in relation to resource allocation decision-making?

As a teacher in one of the colleges, I became interested in how the colleges responded to government budget cuts which took place in 1995 when government funding to the colleges decreased by about 15 percent. I was interested in knowing how the colleges implemented these cuts, and how they made decisions about their priorities when they allocated their resources. I wanted to find out how learning and teaching were affected by the cuts. I also wanted to find out how teaching and learning were considered when budget allocations took place.

Decision-making for allocating resources becomes especially important during periods when funding declines and when demand expands faster than funding. An exploration of the literature on higher education revealed that there is considerable research done on the planning process in institutions of higher education. However, little has been written about the processes through which community colleges actually determine their priorities and allocate resources internally, or how these processes relate to learning and teaching.
This chapter first outlines the background of the study, which provides some discussion of the historical context of the community college in Ontario. This is done to give some insight into the discussion of the next section that outlines the statement of the problem that was investigated. The chapter next discusses the purpose and the significance of the study. This is followed by an overview of the methodology used in the study, and some concluding remarks, which include an outline of the organization of the study.

1.1 Background of the study

In Ontario, the provincial government established the Colleges of Applied Arts and Technology (CAATs) or community colleges in the mid 1960s during a period of economic growth and expansion in higher education. The mission of the Ontario CAATs was to provide vocational education to benefit both the provincial and national economies (Ontario Department of Education, 1967). The Ministry of Colleges and Universities Act, which created the colleges, states that:

Subject to the approval of the Lieutenant Governor in Council, the Minister may establish, name, maintain, conduct and govern colleges of applied arts and technology that offer programs of instruction in one or more fields of vocational, technological, general and recreational education and training in day or evening courses and for full-time or part-time studies. (R.S.O. 1980, c.272, s.5 (1) MET: 49-50).

The community college would offer non-degree programs and would accommodate students who might not otherwise have had access to post-secondary education. The community college in North America became one of the established providers of post-secondary education in the latter part of the twentieth century.

The Ontario Ministry that has had responsibility for colleges has been known as the “Ministry of Colleges and Universities,” the “Ministry of Education and Training,” (1992-1999), and since 1999, the “Ministry of Training, Colleges and Universities.” For the purposes of this thesis, I will simply refer to the “Ministry.”
The Ontario CAATs continue to play an important role in providing higher education. Enrolment levels in colleges increased by 47 percent during the decade from 1984-1985 to 1994-1995 (MET 1996). Enrolment levels in universities in Ontario during the same decade increased by 17 percent (MET 1996). In a survey done by the Ontario Institute for Studies in Education (OISE) to assess public attitudes to education in Ontario, results showed that more than 80 percent of respondents expressed satisfaction with the performance of the CAATs. A consistent majority of respondents also agreed that colleges prepared graduates adequately for job entry and that their career oriented focus should be maintained (OISE, 1992).

The need for colleges of applied arts and technology is expected to continue throughout the twenty-first century as the demand for post-secondary education increases. The Organization for Economic Cooperation and Development (OECD) has stated that the demand for post-secondary education will grow. This is because the rapid development of new technologies is bringing about changes in the economy (and employment markets) that imply new roles for citizens and workers. Increasingly, employers require workers who possess "generic" learning and research skills, thinking skills, and communication skills that allow them to function effectively in new and unfamiliar situations, and to adapt to changing technologies and jobs and to engage in continuous learning (OECD, 1994).

The literature on higher education shows that researchers believe that the three most important challenges currently facing higher education are (1) technological changes, (2) changes in the global economy and (3) decreased funding from governments. (See Knowles, 1995; Chabotar, 1995; Zemsky and Massy, 1990; Baumol and Blackman, 1995; and Whetter, Kim, Chaffee and Cameron, 1987). In his examination of reform in higher education in Canada, Small (1995:122) argues that "the most significant environmental factor affecting Canadian higher education is the unwillingness or inability of governments to continue funding at present levels." He states that "the general effect of funding
constraints has been to force the rethinking of institutional priorities and delivery mechanisms and to encourage strategies which either affect economies or enhance income” (Small, 1995:119).

Gallagher (1995) has shown that, during their short period of establishment, the Ontario CAATs have already had to make changes to reflect the changing economic environment. He argues that in the 1960s the colleges had to learn how to manage growth in times of relative plenty. Since the 1970s and continuing throughout the 1980s and 1990s, a gradual decline in government funding forced the colleges to practice restraint. They were forced to discharge personnel, decrease services and generally to “do more with less.” The CAATS, like most institutions of higher learning, are also seeking alternate ways of managing their resources.

Tierney (1981) suggests that scarcity of financial resources would allow a college to undertake only those activities of highest priority. He proposes that in the best of all possible worlds, the allocation of resources would follow institutional priorities. Tierney (1981) also points out that resource allocation may not be in response to priorities, but may determine priorities. He proposes that “in the face of conflicting priorities, the incentives built into different kinds of resource allocation processes shape the results produced” (Tierney, 1981:29). In this study I examined how these processes -- the determination of priorities and the allocation of resources -- operate in the Ontario CAATs; and how these decisions helped to frame learning and teaching environment in the colleges.

1.2 Statement of the problem

Educational institutions are presently at the center of public debate in regard to issues associated with government fiscal policies. The federal government of Canada, in its efforts to balance its budget, decreased its fiscal transfers to the provinces during the past decade. In a news release dated December 9, 1997, the Ontario Minister of Finance called on the federal government to restore funding to the Canada Health and Social
Transfer (CHST), the transfer that supports health care, education and other social programs (Ministry of Finance, 1997). Similarly, the provincial level of government, in its efforts to balance its own budget, also decreased revenues allocated to most areas of the public sector. Government spending per college student in Ontario declined 32 percent between the late 1970s and the 1996-1997 academic year (ACAATO, 1997). Funding per student in constant dollar terms in the college sector in 1994-1995 was at 68 percent of the level provided in 1977-1978 (MET, 1996). Also, colleges have received a decreasing percentage of government expenditures allocated to education. For example, in 1994-1995, government spending per elementary and secondary student measured in constant dollars stood at 135% of the level provided in 1977-78.

Not only do the CAATs compete for a share of scarce and declining government resources with other parts of the public sector; they also compete for tuition dollars with a growing number of colleges in the private sector. There has been an increase in the number of private colleges operating in Ontario. The Ontario Ministry of Education and Training estimates that there are currently more than 300 private vocational schools operating in Ontario under the Private Vocational Schools Act (MET, 1996). Many of these colleges are affiliated with American colleges. While these colleges receive no provincial operating financial support, their students are eligible for financial support from the provincial government under student aid mechanisms. Student aid is budgeted separately from the college operating grants. Technological ways of providing education, such as distance education, have led to more competition between the private sector and public sector for students. Also, an increasing number of businesses provide their own in-house education and training programs (MET, 1996).

The mission of the CAATs is to provide vocational education. Some writers, such as Friedman (1962), and Blandy (1979) see vocational and professional schooling as a form of investment in human capital analogous to investment in machinery, buildings, or other forms of nonhuman capital. Friedman argued that:
Vocational and professional schooling is a form of investment in human capital precisely analogous to investment in machinery, buildings, or other forms of non-human capital. Its function is to raise the economic productivity of the human being. If it does so, the individual is rewarded in a free enterprise society by receiving a higher return for his (sic) services than he would otherwise be able to command. This difference in return is the economic incentive to invest capital whether in the form of a machine or a human being (Friedman, 1962: 100-101).

Such writers view vocational education only in economic terms and assume that the total benefits are private benefits, that is, all benefits accrue to the individual. There are no third party effects; therefore, there is no case for government financing of such institutions. Friedman noted that:

if the state neither subsidizes the investment nor taxes the return, the individual (or his parents, sponsor or benefactor) in general bears all the extra costs and receives all the extra returns: there are no obvious unborne costs or unappropriable returns that tend to make private incentives diverge systematically from those that are socially appropriate (Friedman, 1962: 100-101).

Friedman (1962) believed that individuals should pay all the costs of their education. However, he felt that governments could require a minimum level of schooling which could be financed through a government voucher system. He advocated that in higher education fees should be set at the full cost of services obtained, which would be partially paid through a voucher scheme also. Blandy (1979) also suggested that all post-secondary students should receive a “standard grant” and have access to a loan scheme administered by the government.

Such writers see a declining role for governments in the market for such goods and services delineated as public goods. They argue that such goods and services should be sold more in the private market with less subsidization from government because the social benefits of such goods and services tend to fall short of the private benefits. These writers and other members of the public call on governments for greater deregulation of the education market, for greater accountability, efficiency and relevance in achieving more for less cost to government; and for linking higher education with the needs and preferences of the private sector.
Although public sector financing has declined, the demand for educational services and training is continuing to grow. There has been a sharp decline in the number of unskilled jobs in manufacturing and industry since the 1980s. Businesses and industry have adopted new processes and practices as a result of technological changes, and employers require increasing levels of skill training for their employees. This has increased the demand for skill training and has exerted greater pressure on resources in the colleges. The Ontario CAATs received a declining share of the provincial budget during the decade from 1984-1985 to 1994-1995. The operating grant was reduced by $120 million or 15 percent for the 1996-1997 year (MET, 1996). While tuition fees have increased, they do not offset these funding reductions (ACAATO, 1997). CAATs taught 39 percent more students in 1995 than they did in 1985 with 33 percent per student less funding. The grant per student from the Ontario government fell from $4,003 per weighted-funded unit in 1985-1986 to $3,478 in 1995-1996 (in constant dollars) while full-time post-secondary enrollment surged from 96,269 to 136,128 (ACAATO, 1997).

As a result of declining per student revenues, the CAATs face what Chabotar and Honan (1990) refer to as the three Rs of the 1990s: reorganization, reallocation, and reduction. Chabotar and Honan see these as the three aspects of retrenchment. Hearn (1988) states that colleges and universities do not exist in an economic vacuum. Resources, he reminds us, are essential for the kinds of success sought by higher education institutions. What is more, he asserts, some knowledge about resource allocation is critical to any conceivable successful model of strategy formation for institutions of higher learning. The research problem therefore focuses on the debate regarding limited and declining resources for funding community colleges in Ontario. Specifically, this study examined the processes used by decision-makers within the Ontario CAATs to allocate resources within the colleges, and on the processes used to determine institutional priorities to allocate resources.
Dennison (1995) argues that over the past decade debate over fiscal matters at both the provincial and federal levels placed the spotlight on publicly funded services such as healthcare, social welfare and education as possible targets for fiscal restraint. As a result education became a target of intense public scrutiny, and this led to calls for publicly funded colleges to be more accountable. Dennison notes that media accounts and formal reviews by task forces and other agents have often resulted in the recommendations of relatively drastic reforms. This prompted demands for more efficient management and for financial accountability in higher education, accompanied by reduced financing, while maintaining an acceptable level of quality. As a result decision-makers in institutions of higher learning searched for more cost efficient ways of meeting their institutional responsibilities. This raises issues as to whether college resources are being used in the most efficient and effective way. According to Hüfner (1991) efficiency of a system is measured by comparing the outcomes with the resources employed, and accountability is achieved when the outcomes, as well as the resources used, are identified and measured. However, Hüfner maintains that it is not possible to apply such concepts in pure economic terms to institutions of higher learning because objectives and outcomes in higher education are often ambiguous.

1.3 Purpose of the study

The purpose of this study was to examine the decision-making processes which resource allocations take place, and through which priorities are determined in the Ontario CAATs. The study also examined how resource allocation decisions helped to frame the learning and teaching environment in the colleges. The research was done through a case study design of three Greater Toronto Area Colleges of Applied Arts and Technology. In this study I investigated the following research questions: (1) How do the decision-making processes for determining priorities and through which resources are allocated operate in the Ontario CAATs? (2) Why were these decision-making processes chosen to allocate resources and to determine priorities? (3) What considerations were given to teaching and learning in relation to resource allocation decision-making? The third issue was explored
by examining the following three questions: (a) What efforts were made to incorporate concepts of program quality into resource allocation decision-making? (b) How did each college discuss teaching and learning in relation to resource allocation decision-making? (c) Which areas, that is schools or divisions, benefited from resource allocation decisions?

1.4 Significance of the study

As previously noted there is an abundance of literature on planning in institutions of higher education; but there is a dearth of literature dealing with resource allocation in community colleges, especially in Canada. Cameron (1983) indicates that there is a lack of experience and insignificant organizational theory and research that could assist practitioners whose institutions face decline. This is especially true in Canada where there is very little institutional research on the behavior of community colleges, and to my knowledge, no evidence of any such work done on resource allocation in the Ontario CAATs.

Stokes (1988) has noted that the Ontario CAATs have tended to rely on a variety of planning and budgeting processes. It is important that studies be undertaken to examine how these processes operate in individual colleges. This study is a step on the way to examine how these processes worked in three of the colleges. Stokes (1988) pointed out that a multi-year plan was used as a planning and reporting instrument in the Ontario CAATs from 1971-1986. The purpose of the multi-year plan was to facilitate planning coordination, as well as accountability, at both the provincial (system-wide) and the institutional levels. On recommendation from the Ontario Council of Regents (OCOR), which is a government body responsible for governance of the college system, the Ministry of Education and Training (MET) enacted legislation requiring that each year the Board of Governors of each college submit a multi-year plan to the OCOR. According to Stokes (1988:195): “although there were determined efforts made to encourage and ensure the appropriate integration of processes and applications with planning and policy development at the institutional level, this grass roots capacity never really emerged.” In 1986 the
College Affairs Branch of the Ministry recommended that the multi-year plan be refocused to emphasize the importance of the multi-year plan for system-wide planning and policy formulation, with considerable less emphasis on the internal operating details of concern primarily to the college. Stokes (1988) argues that the multi-year planning system failed because the colleges had to produce their plans, their statements of individual missions and goals, in a vacuum — specifically in relation to funding commitments. For this reason, he suggests the plans lacked the robustness and vitality that would have been provided if there had been a set of constructive system goals. After 1986, operating plans were no longer required from each college. Each college was directed to place emphasis on its strategic directions and its major intended initiatives (Stokes, 1988). Thus colleges tended to develop and use a variety of planning and budgeting processes to allocate their resources and to determine their priorities. It is important that studies be carried out to examine how these processes operate in the individual colleges.

In the literature on higher education there has been much discussion on how institutions should adapt and transform themselves in response to the challenges that they face in the external environment. This study makes an important contribution to the literature because it helps in our understanding of how community colleges in Ontario respond to these changes. It shows how different processes emerge from differences in institutional climate and culture even when those institutions face the same external environment. This study helps in our understanding of decision-making practices in all Ontario community colleges. It clarifies how resources are actually allocated within some institutions, and therefore, provides insight into those resource allocations which are more likely to secure greater educational outcomes. It also sheds more light on the constraints that limit the choices available to decision-makers.

This study has implications for understanding decision-making policy in community colleges in general. Keast (1996: 8) argues that "government policies and socioeconomic constraints may indeed impinge in numerous ways on the functioning of higher education
institutions, but it is ultimately the judgement that comes from within institutions themselves that set the course for future development." Thus, this study provides insight on differences in practice among policy makers and managers. This study also highlights how decisions emerge from the interactions of individuals and group preference, and from the perceptions of opportunity by those taking part in the planning of how resources should be allocated in colleges. It also shows how these interactions help to shape outcomes. This study therefore contributes to the literature by helping to enhance our understanding of how and why resource allocations and other decisions are made in colleges. It contributes to the literature on how publicly funded institutions manage resources during periods of declining public financing and fiscal restraint; and this study also contributes to the continual development of educational organization theory.

1.5 Overview of the methodology

The objectives of this study were accomplished using a case study of three of the CAATs in the Greater Toronto Area. The study was basically concerned with the period of time following the provincial government's fiscal cuts in 1995 up until 1999. These colleges were chosen not only because they are located in the same geographic area but, more importantly, because they share many similar characteristics. The three Greater Toronto area colleges rank in the top eight of the 25 Ontario CAATs in terms of the amount of the general purpose-operating grant received from the province. These three colleges have received on average 20 percent of the province's general-purpose grant over the past five years (MET, 1995). The general-purpose grant is distributed on the basis of each college's share of institutional activity. Each college's instructional activity is measured in terms of its full time equivalent enrolment level. This means that these three colleges are collectively responsible for 20 percent of the instructional activity in the entire system of CAATs in Ontario. These colleges are similar in terms of the programs they offer and the diversity (for example, varying levels of preparedness) of their student bodies. However, the Greater Toronto area CAATs also differ in some respects. For example each college
faces varying degrees of financial difficulty and may use different approaches to solving problems. This is further discussed in Chapter 3 on the research methodology.

This study was accomplished through a case study approach using qualitative research methods. A qualitative analysis is appropriate for the study because there was very limited previous research on the processes involved in resource allocation in the Ontario CAATs. Data collection included document analysis, open-ended, semi-structured interviews and discussions with faculty and other internal stakeholders. The starting point of the analysis involved an institutional profile of each college.

The case study has a distinct advantage over other research methods when a “how” or “why” question is being asked about a contemporary set of events over which the investigator has little or no control (Yin, 1984). This is because such questions as to how resources are allocated deal with operational links that have to be followed over a given time period (Yin, 1984). The case study method allows the researcher to infer cause by “searching out and making a case for the operative reason behind a behavior “ (Mohr, 1992:15). The intent of this study was not to determine what “causes” some institutions to allocate resources successfully or not successfully; but rather to illuminate how and why each college decided to allocate its resources the particular way it did. Hopefully this will add insight into how and why a community college might allocate its resources more effectively. For these reasons the case study approach is appropriate for my research.

1.6 Organization of the study

This study consists of eight chapters and associated appendices. Chapter Two contains a review of the literature germane to the study and includes the following topics: the concept of resource allocation, resource allocation strategies and mechanisms used in higher education, decision-making models of higher education organizations, decision-making and governance in the Ontario CAATs, the purposes of the budget and types of budget processes, types of planning and the planning-budgeting process. Chapter Three
describes the research methodology that I used. In Chapter Three I also discussed the data sources and techniques that I used in the study. Chapters Four, Five and Six contain the three individual case study reports. In each case the chapter includes a historical narrative that summarizes the planning and budgeting process in each college and financial and demographic data relating to activities pertinent to the decision-making processes under investigation. Chapter Seven is a cross-case analysis of the data and the findings of the research questions. This cross-case analysis of the three case studies examined themes that emerged from the data. These themes are based on propositions drawn from the literature review. Chapter Eight includes the conclusions, observations, and implications for further study. The appendices contain the interview guide and other related information.

1.7 Concluding remarks

In this chapter I have introduced the objectives of the research, described the research problem and presented an overview of how this problem relates to the research literature. I have also introduced the case study approach that was employed to collect and analyze the data, and have discussed the organizational structure of the thesis. In the next chapter I will review the literature that provided a foundation for the dissertation.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction

This chapter reviews the literature directly related to the research. The research examined the processes for the determination of priorities, and for the allocation of resources in Ontario Colleges of Applied Arts and Technology. Specifically, the review of the literature covered past research and theories relevant to resource allocation, budgeting, planning and decision-making in institutions of higher education. This literature review not only synthesizes what has been researched and published in these areas, but it is also used to help interpret the research results. This is done through a series of propositions drawn from the literature review.

The review of the relevant literature is divided into two parts. Part one covers resource allocation and decision-making models in higher education. The main topics discussed are: (1) the concept of resource allocation, (2) decision-making models in higher education, (3) decision-making and governance in the Ontario CAATs, and (4) resource allocation mechanisms and strategies used in higher education. Part two of the literature review discusses budgeting and planning in higher education. The topics covered are (1) the concept of planning and various types of planning, (2) the purposes of the budget and types of budget processes, and (3) linking planning and budgeting.

I derived a set of propositions based on the literature review and the research questions. These propositions helped to shape the data collection plan and analysis of the data. The propositions also helped to link the present study to previous work and shows how the current study contributes to the literature. The propositions are outlined at the end of each part of the literature review.

2.1 Part One: Concept of resource allocation

Economists explain real resources in terms of things, both tangible and intangible, that can be used to produce the goods and services that will satisfy a society’s wants. These include natural resources, physical plant and equipment, and human resources
such as the services of labour and management and entrepreneurship. Economists see resource allocation as two reciprocal flows. One flow involves the flow of real goods and services to both domestic and foreign households, governments and businesses. The reverse flow is of financial assets or payments used to acquire the real resources. At the micro level within an institution of higher education the department acquires real resources to produce services, and reciprocates through payments for these services with its share of the college's revenues or financial assets.

In the higher education literature the distinction between real and financial assets is equivocal. Mims (1980) defines resource reallocation as the movement of money, personnel (or positions), space and equipment from one unit to another. Hackman (1985) sees resource allocation as the relative share of internal institutional resources, especially money, space and campus location acquired by a unit or department within a college. Peterson (1981) considers resource allocation as financial planning limited to revenue and expense patterns. These patterns respond largely to environmental conditions, and are rarely pro-active. This financial planning takes place in the context of institutional budgeting, and can be either short term or long term. It focuses on techniques rather than strategy. Administrative staff play a central role in the development of financial plans and other stakeholders have limited involvement. For the purposes of this study, resource allocation is considered as the processes which determine how a department or unit receives its share of the institution's financial assets. These financial assets are used to acquire faculty, staff, space, campus location, and all other real resources needed to produce learning and teaching.

2.2 Influences on resource allocation

The literature suggests that influences on resource allocation in institutions of higher learning come from both the internal and external environment. Writers who focus on internal influences as important in resource allocation include Massy (1996), who argues that the first key to effective resource allocation lies in understanding the system
of incentives that guides spending within the college or university. These incentives are based partly on intrinsic values and partly on instrumental ones. Programs with strong market demand but low intrinsic value may serve instrumentally to cross-subsidize programs with high intrinsic value but low financial potential. A second key involves recognizing and managing the diversity of intrinsic values that abound within higher education institutions. This diversity comes partly from differences in educational purposes, partly from self-interest, and partly from professional background.

Lasher and Greene (1993) note that institutional factors that influence resource allocations are the institution's mission, age, tradition, legal history and special character. Its mission guides much of an institution's instructional, research and public service activity. The mission dictates the scope and breadth of its degree programs and its curricula, and thus influences its instructional budget. Different missions require curricula that vary in terms of program mix, level of instruction, method of instruction and class size. Curricula requirements also dictate minimum resources for equipment and library holdings. The curricula also prescribe the level of faculty training, and the cost of faculty compensation. Institutional level, the mix of academic disciplines, the nature of the student body, and institutional policies regarding student/faculty ratios determine the size of the faculty. The character of its student body is partially prescribed by an institution's mission through its admission standards, as pointed out by Lasher and Greene (1993). Whether an institution is extremely selective or open to all who apply results in different mixes of students with different levels of academic preparedness. Hence implementation of accessibility policies should influence resource allocation. For example, an institution with a high level of academically under-prepared students or English as second language students may have to allocate resources to remedial work and to English language instruction.

Institutional tradition is related to institutional mission. For example, vocation or service institutions may have a tradition of being supported by governments. The overall
financial health of an institution including the level of its debt will also influence resource allocation policies. Lasher and Greene (1993) note that a limited number of revenue sources affect an institution’s ability to support its budget. Public institutions now seek funds from the private sector, and private institutions increasingly look to the public sector directly or indirectly for funding. Older institutions with an established tradition of private sector fund raising are more likely than younger institutions to have greater physical resources, and more alumni to support them.

Some writers believe that resources are allocated to departments based on the amount of institutional power held by the department or the unit. Hackman (1985) argues that core and peripheral units acquire institutional resources in different ways. She proposes the theory that colleges and universities allocate resources among units based on the centrality of a unit. That is, how closely a unit’s purpose matches those central to the organization. The centrality of the unit affects how the unit’s internal resource allocations, its environmental power, its institutional power, and its resource negotiation strategies interact with each other. A unit’s environmental power is gained by its relative ability to acquire external resources needed by the institution. Its institutional power is the unit’s relative influence within the institution, independent of its environmental power. Pfeffer and Moore (1980) saw power as the crucial feature in resource allocation, and maintained that departmental power, a function of departmental enrollment and the level of department grants and contract funds, is central in resource allocation decisions.

Hyatt and Herrnstadt (1984) have shown that during times of fiscal stress institutions of higher learning will respond in a variety of ways. Initially, these include the reallocation of resources from peripheral and non-instructional areas such as support services, plant operation and maintenance. Resources will also be reallocated from programs that are not considered central to the main instructional and/or research purpose of the institution. An example of this could be certain public service activities. They cite the University of Washington, University of Michigan and Michigan State
University as cases of institutions that did this.

The literature showed that external factors also influence resource allocation processes within institutions of higher learning. Lasher and Greene (1993) claim that these include economic, political, and demographic influences, and the regulatory environment. They believe that there is a direct relationship between the state of the economy and the level of private contributions to institutions of higher education. This is also true for government contributions to higher education. In times of economic distress, publicly funded institutions face greater competition for scarcer resources. In the political environment the governments may influence higher education resource allocations through the development of public policy. These writers believe that governments are becoming increasingly active in determining higher education policy. They claim that policy makers see higher education budgets as discretionary items which are therefore susceptible to fluctuations in the level of government revenues.

Lasher and Greene (1993) also suggest that governments influence the development of higher education policy through leadership on particular issues, and through the appointments that they make to cabinet-level positions and to the governing boards of public institutions and systems. Institutions that receive public funds have to ensure that they comply with government legislation and regulations. This may include setting tuition rates. Bowen (1980) includes work standards, public information, and environmental protection as some of the government regulations which he considers to be part of “an educational institution’s total cost of doing business.”

Lasher and Greene (1993) believe that demographic conditions exist which can affect higher education budgets. The composition of the country’s population has a direct impact on its higher education institutions. Changes in the level of the traditional 18-to-24-age cohort and the ethnic composition of the population may cause higher education institutions to change their priorities. They may turn to new markets such as: part-time
students, older students and foreign students. They may also place greater emphasis on distance education through the use of technology.

Social constructionists such as Tierney (1988) view the institution as a cultural system. He examines the continual construction and reconstruction of organization contexts and authority relationships. He argues that authority is not objectively based in position, the profession or political resources; rather, it is subjectively negotiated and created. Authority can also be constructed in the context of social class and status group interests outside of the institution. Thus resources will be allocated based on the interests of various status groups both inside and outside the institution.

The values and norms of institutions of higher learning are often adopted from status groups outside of the institution. Writers such as DiMaggio and Powell (1983), Meyer and Rowan (1978), and Rhoades (1987) have explored this idea. They use institutional approaches to explain decision-making in institutions of higher education. They theorize that organizational structures and expenditure patterns are shaped by the organization’s efforts to sustain external legitimacy by conforming to the “institutional” environment. This environment consists of a set of normative understandings for a field of organizations, for example, the institution of higher learning. Such norms are defined by government, professional associations and by other successful organizations and will greatly influence resource allocation within the organization.

Not only do writers show that the values and norms of groups external to the institution, but also dependence on external organizations for financing, will influence resource allocation decisions. Resource dependency theorists such as Pfeffer and Salancik (1974) link organizational structures and expenditure patterns to the organization’s economic dependence on external organizations. They argue that an organization develops structures that are complementary to the organization’s resource providers. Leslie and Rhoades (1995) have shown that colleges and universities in the
USA are becoming more dependent on revenues from sources other than the state. This could have led many institutions to create structures complementary to external organizations other than the state. In this model the driving force is economic dependency on an external organization, not normative conformity to the institutional environment.

Sheila Slaughter (1993) and other conflict theorists or Neo-Marxists theorize that patterns of resource allocation in higher education institutions are shaped by the same class based political/economic conflicts as seen in the wider society. Slaughter suggests that the reallocation of resources within the university is beginning to restructure the professional labour force. She indicates that university policy makers, confronted with choices about what to cut, make decisions similar to those made by politicians and policy makers participating in the conservative ethos. They privilege the faculty and fields able to position themselves close to the market. They are more likely to cut the faculty and fields unable or unsuccessful in claiming a position close to the market.

In summary, the literature shows that organizational characteristics and governance customs influence resource allocation processes in institutions of higher learning. Organizational characteristics internal to the institution include: the institution's mission, tradition and customs, student demographics, the interest, professional background and values of the various status groups within the institution, the power of various departments and/or units, faculty characteristics and the overall financial health of the institution. Governance customs internal to the organization which influence resource allocation processes include: decision-making processes; roles of the various internal stakeholders, the role of planning, and student recruitment. Economic dependence on external funding sources such as government and private corporations; the interest and values of various status groups and successful organizations outside the institution; the demographic environment; and class based political/economic conflicts as witnessed in the wider society are all external organizational characteristics which
influence resource allocation within institutions. Similarly, external governance structure such as: government policies and regulation, and the degree of government involvement in determining higher education policies also play a role in influencing internal resource allocation.

2.3 Resource allocation and decision-making models in higher education

The allocation of resources is one of the major decisions made in an institution of higher education and affects every aspect of the institution including its future direction. Moore and Langknecht (1986) define decision-making as a function of the interactions of various actors from differing positions of power, influence, and authority. They believe that in institutions of higher learning, resource allocation decisions are often shaped through non-coordinated actions of individuals and tend to be segmented and decentralized. Massy (1996) argues that analysis of resource allocation processes is particularly important because resource allocations deeply affect and impact most other institutional processes. He argues that the process--the way decisions are made and communicated--powerfully affects outcomes. Thus, resource allocation should be examined within the concept of decision-making in such institutions. Educational decision-making models are grounded in conceptions of authority and the legitimacy of authority, and have their foundations in organizational theory. This theory was designed to explain the behaviour of business organizations.

The bureaucratic model (Birnbaum, 1989; Clark, 1983; Blau, 1973; Scott, 1983; and Etzioni, 1964) reflects a Weberian structure designed to accomplish large-scale administrative tasks by systematically coordinating the work of many individuals. This organization is a hierarchy and there are vertical lines of authority connecting the offices. These lines represent the way work is supposed to flow through the organization. Effective and efficient operation of the organization depends on compliance with rules and regulations which codify the functions of each office in the organization.
In the bureaucratic model, decisions are based on information and involve rational choice. Allison (1971) sees a rational choice process as comprising: (1) establishing organizational goals and objectives, (2) searching for alternative actions, (3) assessing the consequences, or outcomes attached to each alternative, and (4) selecting the “right” alternative. However, some others (Baldrige, 1971; and Cohen, March, and Olsen, 1972) point out that in colleges and universities information is not organized effectively and may not be utilized for decision-making. These writers argue that educational goals and objectives are often ambiguous; while goals and objectives must be clearly and precisely articulated and be measurable for rational decision-making. 

Ashar and Shapiro (1990) recognize the limitations of a Weberian view of organizations. They concede that decision goals and outcomes are unpredictable and unstable, that organizational circumstance very rarely allow decision-makers to face a problem, to define the problem carefully, to evaluate alternative solutions to it, and finally to select the alternative that will best solve the problem. These writers suggest that rationality is a social value in Western society; therefore, those decision-makers whose decisions are scrutinized by others will employ universalistic standards and rational justifications to explain their actions. Ashar and Shapiro (1990) see the problem not as one where people do not want to be rational, but as one in which rationality is hard to achieve. They believe that the conditions under which rationality works best are relatively rare in organizations. They argue, however that conditions of scarce resources may enhance adherence to rational choice procedures. In a study at a publicly funded research university in the USA, they found a systematic relationship between objective evaluative data and policy decisions in times of financial stress. 

A key issue in institutions of higher education, especially when they face fiscal problems, is who should participate in the decision-making process and assist in the identification of policy alternatives and priorities. Administrators generally communicate with and seek advice from members of various constituencies from all areas of the
institution concerning the process by which decisions will be made (Hardy et al, 1983; Powers and Powers, 1983; Mortimer and McConnell, 1970). These processes depend in large measure on the characteristics of the institution. They include its governance tradition, financial history, and general institutional character. Lasher and Greene (1993) believe that management will consult all campus groups (such as administrators, faculty, staff and students) who will have a stake in the outcome of the decisions.

This type of consultative process is based on the collegial model, which is a process-oriented structure for decision-making in which there is a consensus. Bowen and Schuster (1986) propose that in such an organization everyone has the right to participate in institutional affairs. They believe that membership in such an organization is with a congenial and sympathetic company of scholars where friendships, good conversation and mutual aid can flourish. Equal worth of knowledge in various fields precludes preferential treatment of the faculty in different disciplines. In such an organization there is a willingness to be judged by one’s peers since there is a sense of shared mission, common background and traditions. Interaction is usually face to face.

This type of institution, according to Birnbaum (1989), is egalitarian and democratic. Members of the administration and faculty consider each other as equal, and all have the right and opportunity for discussion and influence as issues come up. The faculty expects that the president will make decisions about ordinary problems as they come along. The faculty sees the president as its agent rather than as an independent actor. In such an organization decision-making is slow to respond on an ad hoc basis, and is inadequate for making tough decisions because it takes too long to reach consensus. However, Hardy (1996) argues that institutional collegiality can be used to help meet the challenges currently facing post-secondary institutions. She argues that: "power can be used to create an inclusive, collective form of strategy making that not only reinforces collegiality but also helps to realize change" (Hardy, 1996: 184).
Baldridge (1971), in a case study of New York University in the 1960s, argued that the political model best describes decision-making in institutions of higher education. He sees these institutions as complex political organizations where member groups tend to be heterogeneous with divergent interests and preferences. The type of system recognizes that there is conflict. This conflict is seen as normal rather than pathological. Turmoil or stability depends on whether the interests of the various groups overlap. The focus is on how various interests are reconciled.

In the political model the influence of any group is limited by the interests and activities of other groups. To obtain desired outcomes groups have to affiliate with other groups to compromise and to bargain. Each subgroup sees some commonality in its goals and works together to attempt to achieve them. The groups are autonomous in some ways but interdependent in others. The political organization involves acquiring, developing and using power outcomes in situations in which groups disagree. Individuals belong to more than one group and participate in many political processes. Each of these processes involves different people and forms checks and balances that lend stability to the organization. Indifference is a central characteristic of political institutions as most people are not concerned about all issues at all times. Power tends to be associated with a specific issue so this inhibits conflict. For example, the faculty has power over the curricula, deans have power over recruitment, and the president has power over fund-raising. Some groups may try to control information as a source of power (Baldridge, 1971).

Baldridge (1971) reminds us that political systems depend on social exchange and thus there is mutual interdependence. The power of any group depends to some extent on the contribution that group makes to the political community and the extent to which such a contribution is available from other sources. However, no group is strong enough to totally dominate all the time. The development of a coherent culture is inhibited by the various and competitive interests of the different groups as seen especially in times of
scarce resources. Subgroups wish to exert influence so that their preferences are reflected in the allocation of institutional resources such as money, prestige, or influence. Legal delegation is not the sole source of authority and groups are able to exert power in different ways. In the political model leadership is symbolic and the leader has symbolic power (Baldridge, 1986). The leader serves the community. The leadership role is to assist the decision-making process by which issues are deliberated and judgements are reached, and to take actions necessary to implement decisions (Tucker, 1981).

Organized anarchy is another type of decision-making model of institutions of higher education. Cohen, March and Olsen (1972) suggest that in this type of organization the decision-making process is viewed as a garbage can or catchall where participants dump unsolved problems and solutions. The mix of problems and solutions depends on what issues, both inside and outside the organization, are being discussed at the present time and were discussed in the past. There are solutions and problems that are forgotten in the organized space and any combination of these can become tightly coupled. It is therefore difficult to predict what combinations will emerge. Rational decision-making cannot be applied to such a model because the outcomes are unpredictable and decisions are arbitrary. This is an example of a political model under bizarre conditions. Ad hoc committees and strategic planning become temporary solutions to problems. In this model resources are allocated by whatever process emerges but without explicit accommodation and without explicit reference to some superimposed goals. The decisions of the system are consequently produced by the system but intended by no one and decisively controlled by no one, therefore the system can be described as organized anarchy (Cohen, March and Olsen, 1972).

Birnbaum (1989) integrates the political, bureaucratic and collegial models to reflect what he refers to as the cybernetic institution. This model represents a large social system which is coordinated through self correcting or deliberate mechanisms which provide negative feedback and correct problems. These self correcting mechanisms
include a control system consisting of explicit controls in the form of organization rules, regulations, and structures. Implicit controls develop through the interaction of individuals in groups that lead them toward shared attitudes and concern for group decisions. The cybernetic institution is unlikely to rationally calculate in advance the probable outcomes of the new activities it selects. Senior administrators in the cybernetic institution are likely to respond to any problems faced by the subunit sequentially, and not in an integrated fashion. They attempt to solve problems presented by subunits without trying to understand the effect of the solutions on the performance of other subunits or on the achievement of the organizational groups (Birnbaum, 1989).

Mintzberg (1983), in his theory of organizational behaviour, lists six different power configurations which he sees as sources for goal pursuit and forces of organizational action. (1) The organization is a bureaucracy and serves some dominant external authority which tends to be focused and organized around funding or some legal authority on which the organization is dependant. (2) The organization is dominated internally by senior administrators who direct the organization toward some system of goals such as survival, efficiency, control and growth. Here the organization is usually in pursuit of a mission with very formalized procedures. (3) The organization resolves around a strong chief executive officer who demands loyalty from all the stakeholders. (4) The organization is dominated by a clear ideology and pursues the preservation and perfection of its mission and in turn influences the external environment. (5) The organization focuses on its professionals who pursue diverse goals with a high degree of expertise. Loyalty is directed more to the profession than to the organization, and individuals have a lot of autonomy. (6) There is conflict within the organization, which dominates, and no one group internal or external has control over decision-making and resources. The political arena induces change that is necessary but is resisted within the power system.

2.4 Decision-making and the governance system in the Ontario CAATs

Effective decision-making in any organization requires an understanding of the
special nature of that organization. Colleges and universities are usually portrayed in the literature on higher education as “unique” systems. Schein (1992) argues that although the structures and processes that currently exist in educational institutions may differ significantly from those in the private sector, they can still be understood through the same “concepts” and “theories” as are applied in the study of profit-making organizations. He argues that indeed what is called “governance” in academic circles is really a rather well-known and widely used form of participatory decision-making in many sectors of the business world.

The Ontario CAATs are publicly owned non-profit organizations with ambiguous goals and some limited degree of professional autonomy. In the CAATs there is a “shared authority” in governance. Birnbaum (1980) sees “governance” as the processes by which colleges and universities make decisions to resolve rival claims to scarce resources (power, prestige, and finances) in such matters as courses to be offered, the approval of curricula, selection and promotion of personnel and the allocation of budgets. Governance arrangements in every institution define the relationship between the various institutional constituencies and indicate the degree to which they exercise legitimate influence over certain kinds of decisions (Birnbaum, 1980).

The Ontario CAATs were established through regulation 770 under the Ministry of Colleges and Universities Act to be instruments of government economic and social policy, and reflecting the philosophy of the government of the day (Dennison and Gallagher, 1986; p. 95). The Act provided for a governance structure that included a Council of Regents (COR) for the system and an individual board of governors for each college. There was no provision made in the legislation for faculty participation in the governance. The main influence for faculty participation is through collective bargaining. Since the mid 1980s there has been some attempt to accommodate faculty participation through the development of college councils. These councils have been superimposed on a collective bargaining-management structure. The Association of Colleges of Applied
Arts and Technology of Ontario (ACAATO) along with the Ministry of Education and Training (MET), and the Council of Regents (COR) provide some centralization in the decision-making process at the system level in the Ontario CAATs. At the same time limited institutional autonomy is reflected through the individual governing boards at each college and through the college councils.

Under the legislation the COR is an intermediary advisory body which counterbalances the potential influence of the Ministry over the colleges. The COR is responsible for making recommendations on new programs, the establishment of new campuses and for negotiating the collective agreements. The COR has the authority to make new appointments to the boards of governors of each college. However, formal authority on all policy matters rests with the Ministry. (MET 1995).

ACAATO is a voluntary non-profit association established by the governors and presidents of the Ontario CAATs to meet the needs for college system advocacy, research, and planning and human resource development. Its mandate is to advocate on behalf of college education and training programs, and to make recommendations on policy and operational issues. ACAATO also provides research and planning support for system projects, provides professional development opportunities for college personnel and partners; and works closely with the COR and the Ministry and other government, education/training and private sector partners to advance college system priorities. All colleges on a voluntary basis finance ACAATO, with dues assessed according to enrollment.

Each college has a seventeen member board of governors twelve of which are appointed by the COR from nominees submitted by other members of the board of governors and from other sources. The remaining members of the board of governors include the president of the college by virtue of office and staff and student representatives one each from faculty, administrative and support staff. In all cases these
members are elected under procedures and conditions established by the board of governors in consultation with the college’s students and staff and approved by the COR. The board of governors under the legislation has the power to appoint, classify, promote, suspend, transfer reclassify or remove the president, administrators, faculty and support staff subjected to the terms and conditions established by the COR and approved by the minister of education. The members of the board of governors tend to consist of individuals who are drawn from the community bounded by the geographical location of the particular CAAT (Council of Regents, 1996).

One of the problems in governance in the Ontario CAATs is that management negotiations of the collective agreements with both faculty and support staff is done under the executive authority of the COR on behalf of, and with the delegated authority of the 25 college boards. But the administration of the agreement is implemented by each college board and administration. And finally, the Ministry and government of the day hold the purse strings. This has created, at times, unusual ambiguity regarding accountability and a sense of “who is in charge here?” As mentioned earlier the Ministry, COR and ACAATO combine to play a centralizing role in the governance structure of the Ontario CAATs. Two separate collective agreements between the COR and the Ontario Public Service Employees Union (OPSEU) also play a role in centralization of the system as all the CAATs are covered under these agreements. One of these agreements covers the academic staff and the other covers the support staff.

The provincial government established college councils in all the CAATs in 1986. This was in response to calls for more collegiality in the governance structure from various sectors of the higher education community. The councils were established to provide a forum in each of the CAATs through which college staff and students would have the opportunity to provide advice to the college administration on academic matters (COR, 1996). At most colleges the council is the only elected body that represents all constituent groups.
The provincial government determines the level of resources within the college system and then allocates them to the individual colleges on the basis of an activity-based formula. At this level the union plays no role in determining the level of and the allocation of resources among the various colleges. However the collective agreement influences decisions which determine how and where resources will be distributed within a particular institution. In the collective agreement between the COR and OPSEU representing academic employees there are areas of joint cooperation between the OPSEU and the COR which seem to give faculty more power in decision-making regarding the allocation of financial resources. Two such areas are the establishment of a College Employment Stability Committee at each college and the establishment of a Joint Employment Stability Reserve Fund. Under article 28 of the collective agreement the two parties agreed to the establishment of a joint committee for the purpose of recommending strategies for maintaining employment stability in the particular college and consequently in the system. The strategies could include planning, retraining, early retirement, alternative assignments, secondment, employee career counseling, and job sharing and professional development. The collective agreement under article 28.08 also provides for the establishment of a reserve fund at each college referred to as the Joint Employment Stability Reserve Fund. Each college agreed to contribute to the fund on an annual basis $50 per full-time member of the bargaining unit. One of the functions of the College Employment Stability Committee is to administer the fund. These examples illustrate that the presence of a collective agreement can help to play a role in planning and coordinating resources in institutions of higher education.

2.5 Resource allocation mechanisms and strategies

Shubik (1971:3-4) proposed eight basic mechanisms for resource allocation: (1) the economic model with a price system, (2) voting procedures, (3) bidding, (4) bargaining, (5) allocation by high authority, (6) allocation by force, (7) allocation by custom, and (8) allocation by chance. Dressel and Simon (1976) claim that the trend in
institutions of higher education is away from mechanisms two through eight (which have been historically dominant) to a flexible system, such as the price system. They believe that such a system provides incentives for adapting to changing educational needs and for improving educational quality by reducing costs. They also believe that such a system provides a format for assessing efficiency and effectiveness concerns.

Estelle James (1990) reminds us that the assumptions made in microeconomic theory regarding the decision-making within institutions do not hold for colleges and universities. Colleges and universities are not profit maximizing enterprises. This fact has a number of behavioural implications, which include the following: (1) the presumption that the objectives or tastes of managers matter in determining outputs, (2) that cost-minimizing factor combinations may not be chosen, and (3) that cross-subsidization plays an important role in budgeting. The Ontario CAATs are non-profit organizations in which the distribution of monetary profits is not an option since there are no shareholders. All revenues must be used within the organization for current or future production. All utility derived by the college managers (beyond their fixed salaries) must come from organizational, not personal, expenditures. The manager’s objective, according to James (1990), is to choose a set of activities for the college or university that maximizes the utility of the activities, subject to the constraint that revenues must cover costs.

James (1990) also notes that imperfect information and ambiguous goals compound the complexity of the decision-making process. Different actors may have different information at their disposal and decision-making may be decentralized among multiple actors. Administrators, students, alumni, donors, and legislators all participate in this process but a key group of workers, the faculty, invariably plays a major role. The goals of these decision-makers may differ and conflict, so decisions made by one subunit may not take into account benefits and costs generated for others. Also, decisions made at one level may be implemented at a different level in quite a different way from the original intent.
It is evident from the number and variety of theoretical models used to describe the decision-making process for allocating resources in institutions of higher learning that there is no single model currently available which adequately describes these processes. These models serve as analytical tools which draw attention to particular relationships and interactions among the various factors which determine the nature of any given process such as resource allocation or decision-making. Some of these relationships and interactions are used to derive the following three propositions, which helped to guide the data collection process and to analyze the findings.

External variables which influence resource allocation decision-making include: the state of the economy, economic dependence on external organizations, public policy initiatives and government regulation, the level, extent and form of government funding, and the form of accountability to government. In their search for external legitimacy, these influences pressure post-secondary institutions to conform to a set of values and norms defined by government and successful organizations. This includes the search for an efficient model of resource allocation that simultaneously maintains an acceptable level of quality.

Institutional factors which influence resource allocation decision-making include: mission and type of mission statement, tradition, and legal history. The character of the student body, student-faculty ratios, and the financial health of the institution influence, and are also influenced by resource allocation.

During periods of fiscal restraint there is increased competition among various departments for scarce resources. As a result, the president
becomes more of an independent actor than an agent of the faculty.

2.6 Part Two: Concepts of planning

The literature on higher education suggests that since the latter part of the 1960s higher education institutions started to pay considerable attention to formal planning. Mortimer and Tierney (1979) assert that demographic changes, declining levels of fiscal resources available to colleges and universities, and the perception of erosion of public confidence in higher education forced managers in such institutions to introduce formal planning models. Goynea (1979) emphasized that if institutions are to respond effectively to these problems:

They must recognize the need to plan and support the research necessary to provide the information for planning. It is imperative to recognize the limitations of past and present activities and develop approaches for determining futures. There must be, however, a defined goal to plan and to develop planning information, otherwise no effective results will occur (Goynea, 1979:368).

Planning has been defined in a variety of ways in the literature on higher education. Bean (1990:21-22) summarizes the various definitions of the term planning as follows:

1. Planning is planning for change. People plan to attempt to influence some future activity.
2. Planning is future oriented. Decision-making is oriented towards the present. Planning can be referred to as anticipatory decision-making.
3. Planning aims towards rationality. Rational action involves complete and accurate information, shared prioritization of alternatives, and complete knowledge of the outcomes of any action taken. In the real world, none of these conditions can be
met. Nevertheless, many planners act as if they could be rational.

(4) Planning can be a product or a process. People can plan means (how to get there) or ends (where to go) or both. They can look at the planning process (gathering information) as most important or the planning product (the plan) as most important.

(5) Planning involves choosing between alternatives, and is a means to determine which alternative futures are preferred.

(6) Planning is the activity initiated formally by an organization and informally by organizational participants as a means to sense the future, understand the present, and rationalize the past.

(7) Planning is undertaken to achieve symbolic, rationalistic, political, procedural, and futuristic ends.

Bean (1990:23) believes that these many definitions of planning suggest that when making decisions, managers in institutions of higher education have to consider (1) how much they will intervene in the institution’s affairs as opposed to just allowing things to happen; (2) how far into the future they wish to extend their concern; (3) how rationally they believe the planning process can be; (4) whether they are concerned with devising a plan as a final product or as a process for future action; (5) how they will identify rules for choosing between alternatives, and especially, who will choose among alternatives; and (6) whether or not the plan should pertain to the allocation of resources.

Bean (1990:23) proposes that the scope of planning and the planning context will affect any type of planning. The scope sets the level of complexity. The broader the scope the greater the complexity of the process. He believes that people, time, resources, programs, and ends and/or means should be considered in defining scope. Bean (1990:24) believes that trends, values, power, stakeholders, and constraints form the context of planning in a college or university. He believes that while trends constrain what is possible and tend to identify opportunities to serve new students, the values of
the most powerful stakeholders shape the ends and means actually pursued by a college or university.

Moore and Langknecht (1986) suggest that educational planners have adopted one of two conventional organizational concepts of colleges and universities as formal organizations; namely, the collegial and the bureaucratic models. These writers view the collegial model as a mythical concept that does not fit most institutions of higher learning. Schmidtlein and Milton (1988-1989) argue that the planning approaches that many institutions used in the late 1960s and 1970s were generally based on bureaucratic notions about organizational functioning. Planning approaches based on the political view of organizational behaviour emphasized issues relevant to institutional interest groups. These approaches rely on bargaining and negotiation to reach decisions and favoured marginal adaptation rather than major change. Essentially they reflect questions about the validity of the concept of the organizational goals and about assumptions that systematic technical analysis is, or should be the primary basis for decision-making. However, Peterson (1981) among others suggests that these approaches may result in a lack of an overall sense of direction and in inadequate attention to overall institutional health and vitality.

2.7 Types of planning

Schmidtlein (1990) identifies operational planning, strategic planning, and program planning as various types of planning in higher education. He sees operational planning or logistic planning as a process of establishing short-range objectives (typically for a coming budget year or biennium), determining their relative priorities, and deciding the kinds and levels of resources to be devoted to each objective. Likewise Brickner and Cope (1977:32) refer to planning in individual departments or units as operational or short term planning. This type of planning is used to establish goals and action programs, or to make tactical decisions in the particular unit. Lang (1988) sees logistic planning (which he also refers to as tactical planning) as a process of scheduling, projection and
implementation. He notes that it is usually oriented to resources. According to Lang (1988:5) logistic planning asks such questions as: "When will a resource be needed? What combination of resources will be needed? How many resources will be needed?" He points out that logistic planning operates within a framework of goals, objectives and priorities that are the result of strategic and long-range plans. He asserts that logistic planning tends to be decentralized to the level at which plans are executed and resources are expended.

Educational planners, recognizing the problems with these earlier planning models turned to the strategic planning model. This model was developed for use in the military and is widely used in the corporate world. Cope (1985) described strategic planning as a dynamic interactive process of maintaining a continuous fit between an institution's environment, its resources and its purposes as an institution. The principal purpose of strategic planning is to ensure that long-term goals and objectives and short-term exigencies are properly balanced (Cope, 1985). Keller (1983) suggests that strategic planning focuses on enhancing institutional adaptation to the external environment. This focus is considered critical to institutional survival and vitality in changing or difficult environmental conditions. Basically strategic planning involves (1) an external environmental scan for possible threats and opportunities; (2) an assessment of the institution's internal strengths and weakness; (3) an analysis of the external and internal environment for information; and (4) an identification of the major directions that will promote the institution's health and viability. These directions are intended to serve as guidelines for key organizational actors and subunits to use in decision-making and program development (Cope, 1981; Keller, 1983).

Steiner (1979) indicates that planning can be institution wide which gives direction to the entire organization. This involves strategic planning as well as long range planning. Bean (1990) describes traditional or long range planning as a process which focuses on goals, identifies objectives to reach goals and operates within a closed
This type of planning is oriented to consensus building and offers a plan or blueprint outlining the objectives to reach institutional goals.

Schmidtlein (1990) refers to program planning or academic planning as an approach to planning which determines the nature of the programs needed to implement the institution’s vision and the types of structures and processes required to support these programs. He uses the term “program” to include administrative, student service, and public service as well as academic programs. Lang (1988) sees program planning as an approach to planning which is based on functions instead of organizations and is oriented to goals and policies.

### 2.8 Other approaches to planning

Recent studies have shown that planners are becoming disillusioned with strategic planning. Jones (1990) and Schmidtlein and Milton (1988; 1990) have shown that in many cases strategic planning when used in colleges and universities had proven to be fruitless. Keller (1993) has also acknowledged that in some instances in institutions of higher learning strategic planning has failed to produce strategic changes. Mintzberg (1994) argues that many failed planning processes have been overly rational, quantitative, and linear processes that neglected intuition, artfulness, and sudden social and human shifts. Cutright (1997) suggests using chaos theory to improve strategic planning in institutions of higher learning. Chaos theory is based on the idea that systems are chaotic and demonstrate extreme sensitivity to initial conditions or to influx. In chaotic systems random activity is very complexly patterned. The patterns are created by attractions but modified or disrupted by the introduction or infusion of small and large bits of turbulence. Such systems are dependent on feedback. Therefore, Cutright (1997) argues that chaos theory could be applied to planning in social organizations such as colleges and universities because life is unpredictable, and nonlinear as well as linear, so planning ought to be multifaceted and interactive.
Richardson, Short and Lane (1996) propose synergistic planning which involves a process in which all people in the organization look at the situation as a whole before action is taken on the incremental parts. This is unlike strategic planning where different people would be looking at different questions and the analysis would proceed at many levels. The objective of synergistic planning is to facilitate the redistribution of resources, while recognizing that everyone in the organization is concerned with how resources and relationships could be made more equitable.

The variety of planning strategies in the literature show that there is no general consensus on the form of planning that is effective in colleges and universities. For example, in a study of strategic planning as practiced by two Ontario colleges and two Ontario universities. Ibrahim (1997) found that overall the strategic planning processes as practiced by one of the two colleges and one of the two universities to be consistent with the formal theoretical models as outlined in the literature on higher education. However, in the other two cases (one college and one university) Ibrahim found that the elements employed in the strategic planning processes and the way in which they were implemented differed significantly from the models presented in the literature. Researchers agree that some planning is necessary in institutions of higher learning. There is also some general agreement that planning does not really deal with the future and is little more than extrapolations about the present. However, researchers generally supported the view that these theories are analytical frameworks in which one can analyze issues such as resource allocation.

2.9 The purpose of the budget

As previously mentioned, the ideological shift towards the use of the price system as a resource allocation mechanism in institutions of higher learning has contributed to a history of budgeting in such institutions filled with attempts to find more efficient and acceptable methods of budgeting. According to Lasher and Greene (1993) this history shows a move from the orientation of incremental budgeting strategies with emphasis on
inputs to an emphasis on outcomes. Performance budgeting (PB), incentive budgeting, zero-based budgeting (ZBB), planning programming budgeting systems (PPBS), and management by objectives (MBO) focus on outcomes.

The concise Oxford dictionary (1990) defines a budget as “an estimate or plan of expenditure in relation to income.” The budget is the most fundamental financial management technique used to allocate resources in colleges and universities. The budget affects the future direction of the institution; therefore, there is an interrelationship between the planning and the budgeting processes. Orwig and Caruthers (1979) argue that the essential purposes of budgeting are to distribute resources, translate plans into action, and to foster accountability. Foster states that:

One detached view of academic planning starts from the premise that budgeting is an inherently political process for which there is no way to define the “best” outcome. The budgetary process must balance the wants of various stakeholders, and any resource allocations that keeps the peace and assures survival of the institution is acceptable (1990:33).

However, Foster (1990) emphasizes that important external constituencies that help to provide financial support may not share the institution's internal goals. As a result, there is a continual threat that those who supply funds will dictate an agenda for the institution that would be better given to the charge of another institution. He believes that the plan for a vulnerable institution must be delicately balanced, so that the demands of important stakeholders are recognized and they accept the need for the plan to accommodate the needs of other stakeholders as well as their own. This delicate balance would help to provide accountability to external stakeholders.

Chabotar (1995) proposes that a more open process is more likely to be understood by, and also may be more acceptable to, all constituencies. The open process would help to overcome the problem of domination by any particular unit in the institution. He sees participative budgeting as a means of involving various internal stakeholders more
deeply in budgetary decision-making. He highlights three principal methods of involving internal stakeholders. These are 1) informational, 2) consultative and 3) participative approaches. With informational budgeting the administration announces data about probable revenues and budget drivers through memoranda and regular meetings of faculty and staff. The administration may release interim reports as decisions are made. Individuals may comment but the administration does not actively solicit feedback. A more consultative approach combines the informational model with two-way communication. In this case various constituencies (faculty and students included) review complete or partial drafts of the administration’s budget. The administration may ask the constituencies for their views as a group (at meetings) or as individuals. Stakeholders’ ideas sometimes alter tentative budgets or major drivers such as tuition increases.

Chabotar (1995) notes that participative budgeting is a more open process. This involves the administration circulating “user friendly” communications materials throughout the institution. The administration will use campus meetings and other methods to obtain reactions, and to respond to questions and suggestions. It can also use campus meetings to educate internal stakeholders in the terms and concepts of financial management, and to help make the rationale for core budget priorities become clearer. This is a much slower process. However, Chabotar (1995) notes that with a participative process there is also more room for controversy, and leaks of sensitive information and tentative decisions. He cautions that this process can also cause drift and result in a budget that may be unacceptable to the administration. Dennison (1994) also argues for greater democracy and participatory governance in Canada’s community colleges. He believes that this could play an important part in the improvement of morale, trust, communication, program quality and relevance in the face of challenges and uncertainty.

2.10 Methods of institutional budgeting

Orwig and Caruthers (1979) believe that budgeting has moved through various phases. These are as follows: (1) a period of executive budgeting, which emphasized
control and which responded to the perception of waste and inefficiency in the institution; (2) a period of performance-based budgeting, which emphasized management using work measures and cost accounting and which responded to a demand for precision in cost attribution and outcome assessment; and (3) a period of programming planning and budgeting systems, which emphasized planning and its link to budgeting and which responded to the perception of linking dollars to objectives. Lasher and Greene (1993) think that we may now be in a fourth period of budget reform in response to accountability and reduced public revenues. They theorize that many of the reform measures have characteristics of performance budgeting and show a strong relationship to strategic planning.

Table 2.1 shows a summary of various resource allocation mechanisms and strategies as outlined by Coleman (1986:54). The table outlines the basic assumptions behind each strategy, and its strengths and weaknesses. These systems share many similarities. Each offers a rational approach to budgeting but each defines rationality in a different way. These strategies include various types of institutional planning and budgeting and are discussed below.

Incremental budgeting is the standard budgeting approach that has been in use for many years. The previous year's budget base is usually adjusted for inflation and is incremented or decreased by sums associated with particular items of expenditure. In its purest form incremental budgeting would involve an evaluation of each item in the budget to determine whether it should be decreased or increased. However, in practice each item is usually increased or decreased by a uniform percentage (Orwig and Caruthers, 1979). Line-item budgeting is described as an approach by which all expenditures and proposals for new expenditures are listed and controlled by specific categories, for example, travel (Lang, 1988).
### Table 2.1

**Resource Allocation Strategies**

<table>
<thead>
<tr>
<th>Root Assumption</th>
<th>Allocation Model</th>
<th>&quot;Old Strategies&quot;</th>
<th>&quot;New Strategies&quot;</th>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>Rational calculation</td>
<td>Goals Rational deduction</td>
<td>PPBS MBO</td>
<td>Strategic planning</td>
<td>Focus on ends</td>
<td>Assumption of knowledge</td>
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<td>(marginal utility)</td>
<td>Cost/benefit zero-based budgeting</td>
<td>Performance budgeting</td>
<td>Relates means to ends</td>
<td>Consensus</td>
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<td>Sense of direction</td>
<td>Flexibility/optimism</td>
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<td>Rational calculation</td>
<td>Cost reimbursement</td>
<td>Performance budgeting</td>
<td>Marginal cost formulae</td>
<td>Focus on results</td>
<td>Validity of criteria</td>
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<td>Objectivity</td>
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<td>Manageable scope</td>
<td>Ad hoc in nature</td>
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<td>Market interaction</td>
<td>Interest group bargaining</td>
<td>Log rolling</td>
<td>domain defense</td>
<td>Political rationality</td>
<td>Non-directional lack of central control</td>
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<td>Flexibility</td>
<td>Absence of real market conditions</td>
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<td>Market interaction</td>
<td>Structuring investment</td>
<td>Vouchers &quot;every tub on its own bottom&quot;</td>
<td>Responsibility center budgeting incentive planning</td>
<td>Responsiveness</td>
<td>Non-directional lack of central control</td>
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<td>Competition</td>
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Tierney (1981) sees the process of incremental budgeting as embedded in the campus political structure and hence contributes to the maintenance of a campus status quo. This becomes an uneasy truce between competing faculties. This type of budgeting according to Tierney (1981), inhibits innovation. On the other hand, he suggests that other approaches to budgeting ignore the socio-psychological incentives in the budgeting process. For example, if the administration tries to rank order priorities, the faculty would likely become divided, and might engage in power politics.

Orwig and Caruthers (1979) found that formula budgeting is most frequently used at the province (state) or systems level. However, formulae are sometimes used institutionally, where in some cases a systems formula may be modified and used within the institution. Miller (1995:110) defines formula budgeting as "an objective procedure for estimating the future budgetary requirements by manipulating data about the future programs and by utilizing relationship between programs and cost." The two most common types of budget formulae are the base plus percentage method and the functional approach. In the former, workload criteria are first used to determine the direct instructional expenditures of an institution. These criteria are defined as the base and then all other expenditures are dealt with as a percentage of the base. Under the functional formula budgeting approach, a separate algorithm exists for each function. For example, the instruction formula may be based on the number of student credit hours. The important aspect of formula budgeting is that resources are allocated according to criteria that have been deliberately established for this purpose (Orwig and Caruthers, 1979).

Kenworthy (1973) claims that planning, programming budgeting systems (PPBS) were developed out of a desire to integrate planning with budgeting. They represent a conscious attempt to link planning and budgeting. He sees PPBS as a managerial technique designed to merge the planning process with the allocation of funds by making it impossible to allocate funds without planning. PPBS pay greater attention to developing and implementing a plan when making budget choices. These systems have a multi-year
focus and analyze alternatives systematically. They rely on cost-benefit ratios to establish priorities and to guide budget choices. PPBS were introduced into institutions of higher learning to (1) achieve better coordination between the planning and budgeting functions; (2) enable consideration of future consequences of budget decisions; (3) improve understanding of how proposed expenditures influence programs; and (4) make the budget an instrument for achieving a greater congruence between an organization’s goals and its programs (Wildavsky, 1974).

Closely associated with PPBS is management by objectives (MBO), which is strictly speaking not a budgeting technique. Coleman (1986) cites (MBO) as another resource allocation strategy used in institutions of higher learning. This approach relies on a more formal structure of authority. Supervisor and subordinate establish a set of priorities for the coming year. They review the achievement of these priorities periodically during that year. The fundamental premise is that subordinate participation in the priority-setting process will ensure his or her commitment to those priorities once they have been negotiated. Wildavsky (1984) notes that the idea behind MBO is that objectives would be specified and that management and workers would agree on the results by which workers are to be judged in accordance with these objectives. At each level objectives are formulated, discussed, agreed to and passed up the hierarchy. However Wildavsky (1984:184) asserts: ”that the trouble is that the attempt to formalize procedures for choosing objectives without considering organizational dynamics leads to the opposite of what was intended: irrational choice and ineffective action.”

Zero-based budgeting (ZBB) is similar in concept to PPBS and employs a microeconomic rather than a macroeconomic approach. Pyhrr (1973) defines ZBB as a system designed to transform objectives into an efficient operating plan instead of being concerned with broad policy decisions. ZBB is rarely used as an annual or permanent form of budgeting. In its purest form ZBB embodies a relatively simple concept. It demands a total re-justification of every activity from base zero instead of considering only
incremental change. ZBB relies on the development and ranking of decision packages. Each decision package attempts to describe a discrete activity in a manner sufficient for management to evaluate its relative priority and needs in comparison with other opportunities. Decision packages describe the purposes of the activity, provide performance measures and list costs information. Frequently the decision package will offer several alternatives. Management establishes the budget by ranking the decision package in terms of marginal cost utility (Orwig and Caruthers, 1979).

Peterson, Erwin and Wilson (1977:2) have defined performance budgeting (PB) as “a budgetary process that attempts to allocate resources on the basis of anticipated or past results.” They note that the PB structure focuses on activities that produce results for which related resources can be identified, and that PB is assessed against previously developed goals and objectives. Orwig and Caruthers (1979) state that the result emphasis in the definition reflects the notion that attention is being directed to qualitative and impact oriented results rather than quantitative work loads. They believe that PB seems to have grown out of the accountability movement and out of a need to accommodate nontraditional programs, and out of a continuing interest in emphasizing quality rather than quantity.

According to Lasher and Greene (1993), the cost center budgeting (CCB) approach or activity based costing (ABC), considers academic departments and support units as cost centers for fiscal purposes. Decision-makers expect each center to be self-supporting. That is, each cost center’s projected expenditures must be supported by sufficient revenues raised by that center. In an academic department or college for example, this means that the unit’s faculty and staff salaries, its operating expenses, and a share of physical plant costs and other overhead expenditures must be covered by the unit’s income from tuition and fees, grants, endowments, and gifts. Some support units are allowed to charge for their services. Under this approach any revenue shortfalls must be accompanied by scaling back of expenditures in order that the cost of the unit’s
operations can fall within available income.

Lasher and Greene (1993) see responsibility center budgeting (RCB) as a variant of CCB. Massy (1996) also refers to RCB as performance responsibility budgeting. He notes that these forms of budgeting are based on the notion of total quality management, and on interest in rewarding initiative. Those individuals closest to the production process---those who possess the best information about the effects of alternative expenditure patterns---make the eventual allocation decision. Thus, according to Massy (1996) the strategies decentralize quality and efficiency improvements to the individual worker level. Broadening the base of participation takes longer and requires a different kind of leadership than top down leadership. This involves more decentralization. In these types of resource allocation systems employee teams are given the necessary skills and training and are empowered to respond to external events and act on productivity enhancing opportunities. Performance feedback brings teams rewards or on occasion a resolve to do better. Some of these strategies are being used in colleges and universities but mostly in administration and support units (Massy, 1996).

2.11 Linking planning and budgeting

Orwig and Caruthers (1979) note that planning and budgeting are different activities. They stress that planning is concerned with desired outputs while budgeting focuses on needed inputs. Schick (1971) stresses that planning is futuristic and opportunistic and concentrates on spending; while budgeting is conservative and short term, involves control and concentrates on savings. However Schick (1971) recognizes the need to integrate these two processes. Orwig and Caruthers (1979) argue that if budget constraints are introduced too early in the planning process that this would make planning a relatively empty process. However, these writers stress the need to retain some grasp of reality when planning. Planning without some budget reference, they argue, should never move beyond the generation of ideas to the evaluation of alternatives; and should not be implemented without adequate financial information. Foster (1990) notes
that the planning budgeting process works best if the budget decisions insofar as possible are based on policy analysis of public data and if the process is fully open and public.

In an analysis of linking strategic planning to budgeting, Schmidtlein (1990) argues that linking budgets to strategic planning has proven to be difficult in higher education. He defines strategic planning as a process which involves determining the nature of the environment in which an institution operates, assessing its internal strengths and weakness, and developing a vision of its future character. Given these assumptions, he asserts that strategic planning leads to agreement on an institution’s mission and provides a broad vision of its future direction. Within this context strategic planning does not provide operational guidance for decisions on specific priorities on the goods and services and what items the institution should request in a budget document. Schmidtlein points out that strategic planning does not even provide unambiguous guidance for defining and selecting particular programs. He maintains that:

Such a vision defines a market niche and an institutional mission appropriate for exploiting that niche. Levels and types of programs can then be specified that will be compatible with that mission, but there is room for debate over the most desirable, specific programs. A consensus on a mission creates a set of shared, often implicit, assumptions that create a context for budget decisions, but this context rarely provides explicit guidance for budget decisions (Schmidtlein, 1990:11).

Schmidtlein (1990) notes that program planning provides a more specific guidance for budgeting than does strategic planning. However, he acknowledges that agreement on the character of an institution’s programs only partially clarifies what items and amounts should be included in budgets. The size and relative priority of programs fluctuate as their circumstances change. Student choice, political support, faculty recruitment success and many other factors affect priorities among programs from year to year. He concludes that “while operational agreement on programs provides a greater degree of guidance for budget decisions than does a consensus on only a strategic vision, there remains a large area for discretionary decisions” (Schmidtlein, 1990:11).
In the case of program budgeting, Schmidtlein (1990) states that this type of budgeting focuses attention on the objectives and contents of an institution's academic and administrative programs. He suggests that examining and seeking justifications for the substance of an institution's programs have considerable intuitive appeal. He found that the analysis of programs during budget review obviously is aided by plans that describe the logic and character of current institutional activities. He acknowledges that the review of programs in budgets is also facilitated if prior consensus can be established about their objectives and the outputs required to achieve these objectives. However, he reminds us that a major factor that frustrated the adoption of PPBS by colleges and universities was the problem of defining and measuring outputs.

Schmidtlein (1990) observes that when planning for capital projects one would assume that plans would logically be derived from program plans and in turn capital-budgets would be derived from capital plans. However, these linkages usually are not this explicit and orderly. Often plans for capital projects are developed with only modest guidance from program plans, if in fact program plans even explicitly exist. Also, new capital projects for public institutions may depend on the political attractiveness of the particular project. He observes that in the public sector several different sources of funds may be used; and project timing may depend on when funds from various sources become available. Therefore, priorities frequently shift to align budget requests with these financial constrains and political imperatives. Capital costs usually are presented in capital budgets that are prepared and reviewed through different processes from those employed in formulating and presenting operating budgets. As consequence, Schmidtlein (1990:12) notes that "decisions must be made on the effects that the facility budget will have on operating budgets. What will be the impact on utility, maintenance and similar operating costs?"

Schmidtlein (1990) notes that because incremental budgeting focuses on
increases in objects of expenditure lines, organizational or program categories and on new initiatives it directs planning toward the new activities and items sought by an institution. This approach to budgeting provides fewer incentives to examine the comparative priorities of items in the budget base. However, incremental budgeting reduces to manageable proportions the scope of budget considerations. It lessens the dependence on *a priori* planning since decisions on increases can take place during budget formulation through budget analysis and political negotiations without necessarily referring to formal plans. Time constraints and the stresses of these political debates during the budget process lead people to propose the use of operational planning.

Operational planning is a technique used to settle conflicts over priorities in a more deliberate and thoughtful way prior to the budget formulation cycle. However, Schmidtlein suggests that with operational planning units may end up frustrated if their detailed planning does not appear to have had a visible effect on budgetary decisions. He believes that highly detailed operational plans are time consuming, often reflect unrealistic expectations, and rapidly become dated. In many cases their usefulness may be offset by their costs. He believes that strategic and program plans tend to provide a context for incremental budgeting and when used successfully can provide sets of common assumptions. Schmidtlein asserts that these forms of planning do not however, have direct links to decisions on specific priorities, items and amounts to be included in budgets. Incremental budgets can be derived from these plans but do not depend upon their presence.

Schmidtlein (1990) believes that the primary function of operational planning is to develop a consensus on specific items to be included in a budget, or at least the new items, since most of the items in a budget represent continuing commitments. He notes that operational planning in theory should take place before decisions are made on the contents of budget requests. He believes that agreement will be reached and decisions on relative priorities made in a more orderly manner prior to the intense period of effort typical
during budget formulation. He suggests that the notion of using operational planning rests on the hope that analysis can take place and political struggles can be settled through an early planning cycle. This would avoid their interference with the technical work involved in costing out elements in the budget, identifying fund sources or accounts, and preparing budget justifications. However, he states that in practice operational planning often takes place as budgetary decisions are being formulated.

Schmidtlein (1990) reminds us that budget planning involves making decisions on specific amounts of resources to be allocated to specific purposes for each program. Also, plans seldom provide sufficiently detailed and complete blueprints for determining the specific items and amounts to be included in requests. Managers also will modify prior plans to reflect the most recent estimates of available revenues and emerging cost estimates. These, Schmidtlein asserts, are among the many reasons why operational planning does not provide a complete recipe for budget makers to follow as they perform the technical tasks generic to budgeting. Schmidtlein (1990) concluded that strategic planning and program planning generally provide common assumptions and a general context for formulating budgets, but rarely provide substantial operating guidance for particular budgetary decisions. Operational planning, in theory, should provide more specific guidance for budgeting; however, plans frequently are altered in response to costs and revenue considerations that come into focus as budgets are calculated. Also, descriptions of different types of planning are based on what should take place in theory.

Schmidtlein (1990) suggests that formula budgeting focuses planning attention on the appropriateness and accuracy of variables included in the formulae and on costs not adequately recognized by the formulae. Attention also is directed toward the costs of functions not covered by the formulae. When used internally the formula provides a means to establish equity among organization units. Internally, if formulae are too rigidly adhered to they can create distortions and inequities in fund allotments. Schmidtlein emphasizes that institutional units normally seek budgets that are more carefully tailored
to their circumstances than would be possible through using all but the most complex and cumbersome formulae. However, in some cases institutions use simpler formulae for internal fund allocation in areas such as faculty travel or instructional materials. Formulae reflect what already exists, or is projected to exist (e.g., projected credit hours); therefore, they do not necessarily provide an incentive for planning, but represent levels of funding that may or may not have been determined through formal planning processes. Schmidtlein cautions that although formulae are designed to give priority to various campus functions, this tends to make them complex and can create unintended negative incentives.

Schmidtlein (1990) believes that zero-based budgeting focuses budgetary attention on the substance of programs. It assumes that activities required to achieve institutional objectives can be grouped together into decision packages and ranked according to judgements on their relative priorities. Decision-makers choose among relative priorities as they review decision packages at successively higher organizational levels. The development of decision packages requires analysis and planning, and presumably decisions on priorities would be based on some coherent vision of the direction in which the institution should proceed. He observes however, that in theory the development of the decision package should result from a comprehensive review of an institution’s activities. Those reviewing the various decision packages would require considerable detailed knowledge of their contents and interrelationships to make proper choices. Schmidtlein found that in practice both of these assumptions appear questionable in colleges and universities.

Schmidtlein (1990) reminds us that budgets are based on long standing agreements that have political significance. If too many issues are opened, there is the potential for creating more political problems than can be dealt with in the time available. He also found that a comprehensive review does not recognize that various issues have differing priorities and that attempting to deal with all of them can impose an
unmanageable workload on an organization. He found that the time and energy required for performing primarily instructional and public service functions could be diverted to analyzing and reporting on the importance of functions. Also, successive levels of reviews of decision packages require considerable time and expertise that may not be available. He concludes by cautioning on the limitations of a process for defining goals or outputs to serve as a basis for determining priorities, when that process ignores the political nature of setting institutional priorities and the distribution of institutional decision-making authority. He advises that such a process requires a formal and elaborate structure that may be more expensive and time consuming than it is worth.

Performance budgeting is a rather technical approach to developing budget requests. An attempt is made to define measures of performance and to determine legitimate costs for each. Schmidtlein (1990) states that performance budgeting assumes an ability to define and agree on the performance measures to be employed in budgets and the ability to attach costs to each of these measures. Issues such as the comparative priority of programs and the quality of programs are only indirectly considered through selection of and changes in performance measures. Plans can specify changes that will affect factors used to calculate a performance budget. Plans can establish or imply new performance measures or establish new methods for making cost estimates. Schmidtlein believes that the primary problem in linking planning to performance budgets concerns obtaining consensus on the appropriate indicators of performance, finding ways to measure various types of performance and determining accurately and equitably the costs of achieving a given level of performance. He believes that planning may help with these problems but the political constraints of planning and the character of academic decision-making cause difficulties in achieving such a link.

Tierney (1981) considers MBO when used in institutions of higher learning as a planning exercise, and sees the MBO approach as a way of building consensus. As previously mentioned, MBO relies on a formal structure of authority. Supervisors and
subordinates establish priorities for the coming year. These priorities are then reviewed periodically throughout the year. Tierney (1981) claims that such MBO processes do not contain the major elements of an MBO program as used in business organizations. He asserts that only a few MBO colleges include the assignment of tasks and responsibilities to people within the organization, and link employees' compensation to how well these tasks and responsibilities are satisfied. The implementation of MBO on campuses has been most successful in non-academic programs, such as the registrar's office and in the physical plant.

The belief that budgets can be linked to plans rests on an assumption that it is feasible and cost effective to create reasonably comprehensive plans which can be and will be used to guide institutional decisions. Schmidtlein and Milton (1989) assert that this assumption is subject to a number of qualifications. Firstly, they state that planning is a means toward reducing uncertainty regarding future conditions; however, there is a limit to the powers of predictions. In their research they found that campus staff stressed the importance of maintaining flexibility to react promptly to emerging opportunities and problems. Staff sought to avoid expending significant levels of resources to develop plans that in time would be found unwise or impractical. Staff were concerned about the planning cycles and planning documents becoming too rigid, impeding efforts to undertake new initiatives promptly and causing them to expend excessive time and resources justifying sensible departures from printed plans.

Secondly, these researchers found that sometimes issues decided on in plans are reopened during budget negotiations. Decisions on plans and budgets are made through institutional political processes. Their contents reflect the outcomes of negotiations and the exercise of influence by a wide variety of actors having varying degrees of power and diverse sets of values and preferences. When there are changes in locations and degrees of influence and in values and preferences, earlier plans and budgets are also likely to change. The gap between completing a plan and formulating a budget permits the
emergence of shifts in influence and new perceptions of values and self-interests that can alter earlier plans.

Thirdly, these writers found that organizational units nearly always view planning as a means to enlarge their budgets, while central staff frequently seeks reallocations and reductions. As a result, unit plans frequently contain lists of new items for which staff seek resources. They found that the politics of reconciling financially unrealistic unit requests with institution-wide priorities complicates the development of explicit plans.

Next, the researchers found that often when priority ratings attached to units or the elements of their plans are made public, this may create a self-fulfilling prophecy. Those units with low ratings might lose their most competent and thus most mobile staff, their recruitment opportunities, and their morale. As a consequence units frequently would not reveal their “real” priorities in plans. These priorities can be inferred from budgets, but even in these documents they may not be made explicit.

Finally, Schmidtlein and Milton (1988-1989) found that plans are often inadequate guides for budget decisions because units typically are reluctant to document their significant problems. Units fear that the press, politicians and the public will gain inflated impressions of a problem’s significance. Critics and competitors may use such negative information against them in budgetary competitions. Consequently, plans appear to be better guides for new initiatives than they are for deductions or redistribution. Also, budgets that were agreed upon for the current year are not necessarily followed during the year as new circumstances arise and new understandings develop. Thus, the current budget does not always provide a fully satisfactory reference point for planning. Also, particularly in public institutions, decisions on budgets often are delayed or changed after the deadlines for making planning decisions. Thus, planners often do not have a stable set of budget assumptions to serve as a basis for their plans.
After examining several institutions of higher learning in the United States, Bucklew and Smith (1986:23-24) recommend that the following characteristics should be included in an effective budgeting-planning system: (1) The institution should establish a climate of understanding and acceptance for the implementation of a planning-budgeting system. This involves working with the various constituents groups in the institution in order to gain their understanding and commitment. (2) The budgeting-planning process needs to be comprehensive to be effective. The term *comprehensive* refers to the institution-wide nature of decisions. An effective process is concerned with both academic and administrative program development. This must be a dynamic process involving the understanding of program priorities. These understandings must then be applied to a wide range of fiscal decisions, staffing patterns, and campus physical development. (3) The basic quality of an effective planning-budgeting process is ensuring a long-term perspective. A short term perspective can deteriorate into crisis decision-making. (4) The final characteristic in an effective planning-budgeting system is a clear administrative commitment. Administrators must show a strong commitment to the process. They have the responsibility of stating a vision for the institution’s development, and must show through their actions that they are willing to link major decisions in the life of the institution to the aspirations and goals developed through the planning process.

The evolution of various methods of institutional budgeting paralleled the search for more efficient planning and resource allocation models, and the desire to achieve more efficiency in resource allocation through linking budgeting more directly with planning. Historically a system of incremental budgeting was used in most institutions of higher learning. This system is easy to apply and supports the status quo and therefore avoids dissension. However, it does not provide for innovation. The literature suggests that the search for a budgeting technique that directly linked planning with budgeting led to such systems as planning programming budgeting and zero based budgeting. The former focuses on ends and relates the means to the ends, while the latter focuses on the results. Performance budgeting, cost centre budgeting and responsibility centre budgeting are
based on quality management and in rewarding initiative. These newer strategies
decentralize quality and efficiency improvements to the individual worker level. They
broaden the base of participation in decision-making and provide for more transparent
processes with greater focus on accountability.

The variety of planning and decision-making models described in the literature
indicates that there is no consensus on the planning process that should be used in
colleges and universities. This is in part because there is no consensus on the ideal
organizational type of institution of higher learning. The variety of processes used
indicated that there is a continuous search for a model to fit the ever-changing
environment. This is also true for the budgeting process. Writers cautioned that those
decision-makers, concerned about scarce and declining resource, may place too much
emphasis on planning and resource allocation. They cautioned that this search for more
efficient and alternate ways of managing resources could shift scarce resources away from
the real purpose of higher education institutions: learning and teaching, research and
public service.

Most writers agree that these theories can be used as guides to more efficient and
effective resource allocation in colleges and universities. However, there is some
disagreement about the appropriateness of the use of market models, designed to
examine for profit institutions, as guides to the allocation of resources in colleges and
universities. There is little empirical evidence that this type of model is more efficient for
allocating resources in institutions of higher education. However, this may change as
pricing in these institutions moves closer to resemble conditions that exist in the private for
profit market. All the models have their strengths and weaknesses depending on the
structure and organization of the institution in which they are used. There is a general
consensus that the links between planning and budgeting depend on a complex matrix that
comprises (1) the form in which an institution and sometimes the government expresses
its goals and objectives; (2) the structure of public systems of higher education;(3) the form
in which public funds are provided; (4) the form of budgeting used; and (5) the time frame of budgeting within the context of planning budgets (Hopkins and Massy, 1981). Finally the literature showed that researchers agree that budgets should not drive plans; but that plans should drive budgets. In practice this seldom happens.

Birnbaum (2000) argues that institutions of higher education are always under pressure to become more efficient and effective. They often respond by adopting new management systems that were originally designed to meet the needs of (presumably) more efficient businesses or governmental organizations. In a cross-case analysis of the life cycle stages of some of these 'management fads' as Birnbaum terms them, he found that some type of crisis is first claimed to exist in the organizational sector. This crisis is usually related to the internal or external environment of the sector. The present methods of operation are then considered to be inadequate to address the crisis, and a new management technique is proposed to solve the problem. Birnbaum points out that those who develop the 'fads' view academic organizations through the lens of an organizational paradigm that emphasizes the importance of goals, rationality and causality.

Part Two of the literature review showed that there are various planning and budgeting strategies used in higher education institutions. The review showed that there is no consensus among decision-makers about which of these methods are the most effective and most efficient. However, the review also showed that decision-makers when faced with some form of organizational crisis would resort to what they consider to be rational procedures to solve the problem. The review also showed that writers such as Dennison (1994) and Chabotar (1995) proposed more transparent and participatory decision-making governance structures which would allow for improvements in morale, trust and program quality. Foster (1990) also proposed that more transparency would provide accountability to external constituencies such as taxpayers. Consequently, I derived the following two additional propositions (along with the three from Part 1 of this chapter) which helped to guide the data collection process and to analyze the findings.
During periods of fiscal constraint decision-makers will try to use rational choice procedures to develop policies. This includes formal planning which directly links planning with budgeting.

A governance structure that allows for a transparent and participatory decision-making process for resource allocation is likely to contain an accountability component.

2.12 Summary

The intent of this study was to review the process of decision-making for resource allocation and the determination of priorities in Ontario CAATs. The literature review proceeded from a general overview of literature dealing with resource allocation, decision-making, and planning and budgeting processes in institutions of higher learning. This review allowed me to draw a series of propositions that helped to guide the data collection process and to analyze the findings. The propositions also helped to link the present study to previous work and showed how the current study contributes to the literature.

In the review of the literature I found a considerable number of references which dealt with higher education institutions as organizations. Most of this literature relates to institutions in the United States and discussed research done on four-year colleges and universities. Literature examining decision-making and planning in Canadian universities was also prevalent, and there was some literature covering these areas in Canadian community colleges. While there is some literature addressing issues related to budgeting, again this literature is drawn from studies done mainly in four year colleges and universities in the United States. Literature on planning and budgeting in community colleges was very limited. Again, most of the research was drawn from US studies. However, this does
not mean that these theories are not applicable to Canadian community colleges, even though the planning time frame is much shorter for two-year colleges. On the contrary, one can argue that this makes it more imperative to do research such as the present study to examine whether these theories can be generalized to similar institutions in Canada. Furthermore, the literature review revealed that there has been little case study and cross-case comparison research of community colleges in Canada. Thus this study helps to fill that gap in the research literature on higher education.
CHAPTER THREE
RESEARCH METHODOLOGY

3.0 Introduction
This chapter describes the strategies and procedures used to collect and analyze the data utilized in the study. The design of the research consists of four major components: (1) the choice of problem area for study, (2) the choice of a research paradigm, (3) the definition of the analytical framework, and (4) the design of the case studies. These components are described in this chapter.

3.1 Identification of study problem
This study examined the decision-making processes used to determine priorities and the decision-making processes through which resources are allocated in three of the CAATs in the Greater Toronto Area. The study also examined the extent to which these decisions helped to frame the teaching and learning environment in the colleges. The rationale and purpose for this study have already been discussed in Chapter One.

3.2 Choice of research paradigm
Writers such as Bogdan and Biklen (1982), Guba and Lincoln (1981), Yin (1984), Helmstadter (1970), Hoaglin (1982), Stake (1981), Wilson (1981), Schatzman and Strauss (1973), Firestone (1987), Wolcott (1980), and Mohr (1992) have discussed extensively the issues dealing with research paradigms generally, and methodological approaches to the inquiry into problems in education. In this discussion I draw heavily from the work of these writers. They argue that a methodology must be judged by how well it informs research purposes, at least as much as by how well it matches a set of conventions; also, the methodology must respond to the different purposes and contexts of the research. The more approaches used to examine a particular aspect of knowledge the better. This gives the researcher greater confidence in the validity and reliability of the information and knowledge found in a given report. A particular approach may be more suitable for a specific type of research than for another. On the other hand, an eclectic combination of methodologies, with one methodology more dominant than the other, may be more
appropriate for a particular type of study. The researcher has to determine which approach would be most successful in dealing with the specific problem under investigation.

In this study, I chose a case study approach using mainly qualitative analytical methods. The research design included three nonparticipant observational case studies. Each case study focused on a particular organization, a community college, as the unit of analysis. All three case studies contain some historical treatment, but in each case this is supplementary to a contemporary analysis of decision-making processes. The historical information provides a background to the contemporary scene. The three colleges are called College X, College Y and College Z. The first study of College X helped to outline the parameters of the other two studies of College Y and College Z. The three cases are compared and contrasted to see the extent, presence or absence of some particular characteristics to form a comparative case study.

3.2.1 The role of qualitative research

The literature on the methodology of educational research shows that there are two common approaches used to research questions in education. These are the quantitative and the qualitative approaches. The quantitative approach is based on the scientific method as used traditionally in the physical sciences. This approach has its roots in the positivist philosophy of such writers as Comte, Mills and Durkheim (Smith, 1983). Firestone (1987) argues that quantitative research based on a positivist philosophy assumes that there are social facts with an objective reality apart from the beliefs of individuals. From the quantitative perspective the overall purpose of educational research is to explain, and by extension to be able to predict the relationship between educational events. Following this tradition, quantitative studies in social and educational research are designed to yield objective numerical data that allow for statistical analysis. Using this methodology, the knowledge derived from social investigation could be used to derive laws. These laws provide the basis from which inferences, and consequently generalizations can be made. These laws allow not only for the explanation of social
phenomena but also for the ability to discover causes and to make predictions.

Qualitative approaches to research in education have roots in the work of Weber who argued that to understand the meanings another assigned to his or her actions require that these meanings be placed within a context; that is, nothing can be understood in the absence of context. Yin (1984), Smith (1978), Bogdan and Biklen (1982), Taylor and Bogdan (1984), Firestone (1987), Glaser and Strauss (1967), and Guba (1978) are among the many writers on methodology in educational research who focus on qualitative methods as an alternative to quantitative research methods. Taylor and Bogdan (1984) view qualitative research as rooted in a phenomenological paradigm which holds that reality is socially constructed through individual or collective definitions of the situation. They see qualitative research as concerned with understanding the social phenomenon from the actors’ perspective through participation in the life of those actors. Bogdan and Biklen (1982) stress that conducting research in a natural setting is an important characteristic of qualitative analysis.

Lincoln and Guba (1985) emphasize that to understand the participants’ perspectives, a study should be free from predetermined theories, and that the theories should emerge after data collection rather than being posed before the study begins. Bogdan and Biklen (1982) consider qualitative research as concerned with process rather than simply with outcomes or product, as is more likely with quantitative research. In the former the data are analyzed inductively, and so the researcher does not search out data or evidence to prove or disprove some hypotheses held before entering the study. The researcher builds abstractions from the data which have been grouped together. The theory emerges from the bottom up rather than from the top down, and from the many disparate pieces of evidence that are interconnected. Glaser and Strauss (1967) call this grounded theory and point out that the direction the research will travel comes after data collection. One is constructing a picture which takes shape or emerges as data are collected and examined. The qualitative researcher uses part of the study to learn what the important questions are. He or she does not assume that enough is known to
recognize important concerns before undertaking the research. Ritzer (1995) sees qualitative theory similar to the term paradigm; that is, a loose collection of logically held together assumptions, concepts or propositions that orient thinking and research. The assumptions are based on what the participants think about what is important, and what they think makes the world work.

Thus, as Patton (1980) and Rist (1977) point out qualitative research is based upon three complementary approaches: holistic, inductive and naturalistic. First, it is holistic because it involves the collection of data from a variable number of sources related to the unit of study, so as to obtain as completely as possible a facsimile of the dynamics of the process under study. Secondly, qualitative research permits the researcher to study a particular problem from its specific circumstances and slowly build a more general perspective of the particular problem. Thus, providing an inductive approach to the problem being studied. Thirdly, when using a qualitative approach, the setting to be studied is natural rather than contrived since the process is studied as it evolves. Qualitative approaches are considered to be alternatives to the traditional use of quantitative analysis with its focuses on much more narrow limits and predetermined hypotheses.

Qualitative research, while allowing the researcher to examine some types of social phenomena in their entirety and in their natural setting, has its weaknesses. Goode and Hatt (1952) point out that it is difficult to set the limits of a social object since the wholeness of any object is an intellectual construct. The researcher therefore has to define the social phenomenon under study in terms of what is most fruitful for the research problem. The use of a broad array of data is also necessary in order to study the unit in its totality. Goode and Hatt (1952) propose that the use of data from other levels (political, social or economic) may be incorporated into the records to help give added dimensions to the process or unit being studied. Writers such as Goode and Hatt (1952), Bogdan and Biklen (1982), and Guba (1977) point out that distortions in data collection can arise as a result of the researcher's bias, the manner in which the researcher is perceived in the social setting under study, and the personal anxieties of the respondents in the
study. In order to minimize these distortions, writers advise that the researcher should try to maintain openness about his/her intentions. Goode and Hatt (1952) also believe that researcher's arrogance regarding his/her knowledge of the subject may lead to unwarranted extrapolation. This, they observe, may be avoided through qualitative coding for factors and themes which are amenable to classifications. That is, the researcher should develop definite coding instructions for most of the important qualitative items, with definite tests for coding reliability.

3.2.2 The case study approach

In the literature on methodology in education research, the case study approach is thought of as a genre of qualitative analysis. Goode and Hatt (1952: 331) consider the case study approach not to be a specific technique, but as "a way of organizing social data so as to preserve the unitary character of the social object being studied." This approach views any social unit as a whole. The social unit may be a person, a family or other social group, a set of relationships or processes, or even an entire culture. The case study allows an investigation to retain the holistic and meaningful characteristics of real-life events, such as individual life cycles, organizational and managerial processes (Yin, 1984). "The case study contributes uniquely to our knowledge of individual, organizational, social and political phenomena" (Yin 1984:14).

Case studies can be descriptive, interpretive, or evaluative. A descriptive case study in education is one that gives a detailed account of the phenomenon under study. Lijphart (1971: 691) sees descriptive case studies as "atheoretical" since they are not designed to formulate general hypotheses. They present basic information about areas of education where little research has been done. Interpretive case studies also contain descriptive data, but the data are used to develop conceptual categories or to illustrate, support or challenge theoretical assumptions held prior to the data gathering. The level of abstraction and conceptualization in such studies may range from suggesting relationships among variables to constructing theory. The model of analysis is inductive. The investigator may take the data and develop a typology, a continuum, or categories that
conceptualize different approaches to the task (Shaw, 1978). Evaluative case studies involve description, explanation, and judgement. Guba and Lincoln (1981: 375) state that this type of case study “weighs information to produce judgement.” Yin (1984) argues that it is a common misconception that these types of case studies as discussed above can be arrayed hierarchically. He proposes that a more appropriate view of these different strategies is a pluralistic one, in which each strategy can be used for all three purposes to explore, to describe and to explain. Also, even though each strategy has its own distinctive characteristics there are large areas of overlap among them.

As with every research strategy, case study research has its limitations. Some of these limitations were discussed generally in relation to qualitative research. In addition, some of the criticisms leveled against case study research relate to problems in reporting and disseminating the study. Reports are sometimes deemed to be too lengthy and too detailed. Also according to Guba and Lincoln (1981: 377) “case studies can oversimplify or exaggerate a situation, leading the reader to erroneous conclusions about the actual state of affairs.” These writers caution that readers may be led to believe that the study accounts for the whole; but in reality it looks only at a “slice of life.” Yin (1984) points out that the greatest concern when doing case study research has been over the lack of rigour. This, he argues, is also true of other research strategies such as quantitative research methods. Also the case study approach must guard against bias to influence the directions of the findings or conclusions since the researcher is the primary instrument for data collection and analysis (Guba and Lincoln, 1981). Statistical generalizations cannot be made based on a case. However, as Yin argues, it is possible to make generalizations about theoretical propositions; that is, to expand and generalize theories or make analytic generalizations using inductive reasoning.

3.2.3 **Rationale for the case study approach in this study**

The research question in this study was to examine the decision-making processes to allocate resources and determine priorities in three Ontario CAATs; why the colleges chose these processes; and how these decisions helped to frame the teaching and
learning environment. Yin (1984) argues that in some situations a specific research strategy has a distinctive advantage over others. He points out that there is one situation when the use of the case study approach is advantageous over other strategies. This situation occurs when a “how” or “why” question is being asked about a contemporary set of events over which the investigator has little or no control. These conditions are present in this study.

Some “how” and “why” questions are ambivalent and need clarification. This study examined the extent or absence of some characteristics in the decision-making processes in resource allocation and the determination of priorities in the three colleges. It also sought to explain the extent to which those decisions helped to frame the teaching and learning environment. The case study approach is best suited for such explanatory purposes. Schramm (1971) believes that the case study tries to illuminate a decision or set of decisions; why they were taken, how they were implemented, and with what results. According to Yin (1984) the case study can be used to: explain the causal links in real-life interventions that are too complex for the survey or experimental strategies; to describe the real-life context in which an intervention has occurred; to evaluate the intervention; and to explore those situations in which the intervention being evaluated has no clear single set of outcomes. Sanders (1981:44) believes that “case studies help us to understand processes of events, projects, and programs and to discover context, and characteristics that will shed light on an issue or object.” Given these perspectives, the case study approach was viewed as most appropriate for investigating the research questions in this study.

Yin (1984:23) argues that: “the case study approach is an empirical inquiry that: investigates a contemporary phenomenon within its real life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used.” Bogdan and Biklen (1984) also show that whether a bounded system can be identified as the focus of the investigation is an issue to be considered when deciding whether a case study approach is the most appropriate design for
investigating the problem of interest. The institutional context in each of the three case studies is comparatively similar in terms of characteristics such as size, funding, tradition, and formal organizational structures. Decision-making in resource allocation and the determination of priorities are integral components of these characteristics. Thus, in this study it is difficult to separate context from the phenomena under study.

Bogdan and Biklen (1982) argue that the desired end product is another issue to be considered when deciding whether a case study approach is the most appropriate design for investigating the problem of interest. In this study the desired end product was an intensive description and interpretation of a contemporary phenomenon, that is, the decision-making processes in the three colleges with the intent of using the data to develop conceptual categories, and to illustrate, support or challenge theoretical assumptions held prior to the data gathering.

3.3 Definition of the analytical framework

The research involved a loosely structured, emergent, inductively “grounded” approach to gathering data. The conceptual framework emerged empirically in the course of the study. The most important research questions were clarified as background data were collected and analyzed. Also, there were some minor differences in the respondents and instruments used in each case due to variations in the context of each particular setting. For example, I attended a budget forum in College X as a nonparticipant observer. This was not possible in the other two cases studied because of differences in the decision-making processes. I used this methodology because I had some knowledge of the phenomenon I was studying; but not enough to accommodate a theory. In building a conceptual framework I considered the following: (1) What were the most important areas to examine in order to explore the decision-making process to allocate the resources in each college? (2) Which relationships were more likely to be relevant to the study? (3) What information should be collected? To ensure that I rigorously applied case study procedures, and to guide me in the process of data analysis and interpretation of findings, I decided that data analysis and interpretation of findings
should be grounded on a broad review of the relevant theories concerning decision-making, resource allocation and the planning-budgeting process in post-secondary institutions. These were discussed in Chapter Two of this study. I used this literature review to develop some general propositions. These helped to guide the research data which I collected. This theoretical background formed the foundation of the interpretation of the findings.

3.4 Design of the case studies

Yin (1984) sees research design as the logical sequence that connects the empirical data to a study's initial research questions and ultimately to its conclusion and action plan for getting from here to there. “Here” represents the initial set of questions to be answered and “there” is a set of conclusions about these questions. Other writers (such as Philliber, Schwab, and Samsloss, 1980, quoted in Yin) consider the research design as a blueprint that deals with the following: What questions should be studied? What data are relevant and should be collected? How should the results be analyzed? Based on the work of these writers, the design for the three case studies includes: the research questions, propositions based on the literature review, the study's unit of analysis, a data collection protocol, linking the data to the propositions and interpreting of the findings, criteria for judging the quality of the research and the study's limitations.

3.4.1 The research questions

The research questions are as follows: (1) How do the decision-making processes for determining priorities and for allocating resources operate in the Ontario CAATs? (2) Why were these decision-making processes chosen to determine priorities and to allocate resources? (3) How were teaching and learning considered within the decision-making process for resource allocation? The last question was examined by looking at: (1) the attempts made to incorporate notions or concepts of program quality into resource allocation decision-making; (2) how teaching and learning were discussed in relation to resource allocation and priority determination; and (3) which departments or areas benefitted from resources allocation decisions, that is, whether there were any significant
sifts in the types of programs offered. As discussed in Chapter One, these questions are important for several reasons. Since 1986 when the colleges were no longer required by the Ministry to prepare multi-year plans, individual colleges have used a variety of planning and budgeting processes. It is important that studies be done to examine how these processes operate.

3.4.2 The unit of analysis

The study used a multiple-case design including three case studies. Three of the CAATs in the Greater Toronto Area were examined over the period from January 1997 to April 1999. These colleges were selected on the basis of the following criteria. The three colleges offered essentially the same program mix. They offered programs in the faculties of Applied Arts and Health Sciences, Science and Technology, Transportation, Business, General Education and Skills Training. The three colleges could be categorized as large with average full-time post-secondary enrollment levels of over 9000. The three colleges together also received on average between 20 to 24 percent of the total of the province's operating grant during this period.

The data were collected over a two-year period. The decision-making processes in relation to resource allocation, budgeting and priority setting were examined during the period. Archival data from the period 1993 to 1997 were also examined to help provide a context for the analysis of the contemporary data. This included the period from 1995 to 1996 when the budget cuts were made. These cuts were the catalyst which provided the idea to examine this topic. This period was chosen to provide information of the decision-making structures prior to the data collection period. This was done to help examine changes made during the data collection period.

3.4.3 Propositions based on the literature review

In order to help develop the conceptual framework in this emerging design, the following propositions, based on the literature review, directed attention to areas that were examined in the study:
(1) A governance structure which allows for a transparent and participatory decision-making process for resource allocation is likely to contain an accountability component.

(2) During periods of financial constraint decision-makers will try to use rational choice procedures. This includes formal planning which directly links planning with budgeting.

(3) During periods of fiscal restraint there is increased competition among various units for scarce resources. As a result the president becomes more of an independent actor than an agent of the faculty.

(4) Institutional factors which influence the resource allocation decision-making process include: mission, and type of mission statement, tradition, and legal history. The character of the student body, student-faculty ratios and the financial health of the institution, influence, and are also influenced by resource allocation.

(5) External variables which influence resource allocation decision-making include: the state of the economy, economic dependence on external organizations, public policy initiatives and government regulation, the level, extent and form of government funding, and the form of accountability to government. These influences pressure post-secondary institutions, which seek external legitimacy, to conform to values and norms defined by government and successful organizations. This includes a search for an efficient model of resource allocation which simultaneously maintains an acceptable level of quality.

Table 3.1 categories and relates these propositions to the research questions. These categories are not all-encompassing. Propositions one and two addressed the question: how do the decision-making processes for determining priorities and for allocating resources operate in the Ontario CAATs? Propositions three and four addressed the question: why were these decision-making processes chosen to allocate resources and to determine priorities? Proposition five and six addressed the question: how did the resource allocation decision-making process help to frame the teaching and learning environment?
<table>
<thead>
<tr>
<th>Question 1</th>
<th>Question 2</th>
<th>Question 3</th>
</tr>
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<tbody>
<tr>
<td>How do the decision-making processes for determining priorities and for allocating resources operate in the Ontario CAATs?</td>
<td>Why were these decision-making processes chosen to determine priorities and to allocate resources?</td>
<td>How were teaching and learning considered within the decision-making process for resource allocation?</td>
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**Propositions**

<table>
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<th>Propositions</th>
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<tr>
<td>A governance structure which allows for a transparent and participatory decision-making process for resource allocation will contain an accountability component.</td>
<td>During periods of financial constraint decision-makers will try to use rational choice procedures. This includes formal planning which directly links planning with budgeting.</td>
<td>External variables which influence resource allocation decision-making include: the state of the economy, economic dependence on external organizations, public policy initiatives and government regulation, the level, extent and form of government funding, and the form of accountability to government. These influences pressure post-secondary institutions, which seek external legitimacy, to conform to values and norms defined by government and successful organizations. This includes a search for an efficient model of resource allocation which simultaneously maintains an acceptable level of quality.</td>
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</table>

During periods of fiscal restraint because of the various and competing interest of different groups, the president becomes more of an independent actor than an agent of the faculty. | Institutional factors which influence the resource allocation decision-making process include: mission, tradition, legal history, character of the student body, student-faculty ratios and the financial health of the institution. |
3.4.4 Data collection protocol

Gaining access to a site to study some type of phenomenon is an important consideration in qualitative research. In this study, access was relatively easy since I am employed in one of the colleges. Early in the study I was able to identify the gatekeepers, and to obtain their permission to undertake the study. This information was obtained through the use of organizational charts of the colleges and documents relating to the budgeting-planning process. I also did precursory informal interviews with Ministry and ACAATO personnel, and senior faculty members in the three colleges. Key participants were selected on the basis of their knowledge of, or participation in, the decision-making process as it related to the resource allocation process or priority setting process in the three colleges. After telephone conversations with vice-presidents in the colleges, I sent them letters outlining the proposed study and sought formal permission to do the study. My employment in one of the colleges made it relatively easy to establish rapport with the respondents. This also gave me the added advantage of understanding the terminology used by the respondents. Interviewees consisted of senior administrators, planning committee members, budget committee members and faculty. I also attended a budget and resource allocation forum in College X as a nonparticipant observer. This forum was attended by thirty-six internal stakeholders from that college. The forum was open to all members of the college community; including: managers, faculty and support staff. There were no students, but there were administrators and personnel from student services. The forum was conducted by the Vice-President of Administration and Finance, Vice-President, Academic, the Director of Strategic Planning and the Budget Director. I was allowed to take notes and to record the entire discussion using a form of short hand called stenoscript. I was also given all budget and resource allocation related documents which were handed out during the forum. Table 3.2 below gives a summary of the research phases and personnel interviewed.

The holistic, inductive and naturalistic character of qualitative research lends itself to the use of open-ended interviews, documents, archival records and observation as instruments for data collection (Yin, 1984), as used in this study. The researcher single-
handedly collected all the information generated. Archival records were initially used to provide background information about demographics, the financial situation, and the planning-budgeting processes previously used in the colleges. These records included annual reports, organizational charts, college multi year plans, budgets and Ministry documents. The records contributed to my understanding of the development and implementation of the decision making process as it related to resource allocation in the colleges. They helped to provide dates and descriptions of activities pertinent to the study. They also helped to serve as a frame of reference for interview questions.

Table 3.2
Summary of Research Phases and Personnel Interviewed

<table>
<thead>
<tr>
<th>Phase</th>
<th>Research Methods</th>
<th>Personnel Interviewed</th>
</tr>
</thead>
</table>
| Background and organizational history and context | Background informal Interviews and Document Analysis | • Senior Faculty and Administrators
• Ministry of Educational Personnel
• Association of Colleges of Applied Arts and Technology of Ontario |
| Perspectives of key personnel involved in planning and resource allocation processes | Key informant/intensive interviews, document analysis | • Director of Planning (2)
• Vice-President, Academic (2)
• Vice-President, Finance and Administration (2)
• School Head (1)
• Faculty Members, Budget Committee (3)
• Faculty Member, Chair of Core Team Committee (1)
• Budget Director (1) |
| Perspectives of other Personnel            | Non-participant observer at resource allocation decision-making forum | • Faculty Members (19)
• Administrators (9)
• Support Staff (8)
• Budget Director
• Vice-President, Finance and Administration
• Director of Planning
• Vice-President, Academic |
Interviewing was the main method of data collection used in this study. The interviews were focused and yet open-ended. The researcher followed a set of questions derived from the literature review and the study's propositions. The questions helped to obtain the thoughts, insights and opinions of the respondents. The interview questions were standardized so that the findings could be compared during analysis. However, the questions were flexible enough so that I could make revisions and look at the data with new eyes to explore new leads or to address new research questions during data collection. This also gave me the flexibility to interview a new class of informants if the situation had warranted this. These questions are listed in Appendix A. The interviews were all tape recorded. I listened to and transcribed the information from the tapes, and transferred the data to the computer.

During the interview process, key points provided by the respondents were confirmed by repeating them to the respondents. This form of reflective interviewing helped the respondents to clarify and add information to their explanations and perspectives. This technique was based on active and empathic listening principles as suggested by Stewart and Cash (1982) to be used in interviewing situations to demonstrate the interviewer's engagement and understanding with the participant's perspective. This technique also helped to increase the validity of the interviewing method.

Documents were also used throughout the study. Table 3.3 provides a list of the records and documents used in this study. Documents included: environmental scans, memoranda, and other communiques, agendas, minutes of meetings, administrative documents, formal studies, and news-clippings. These helped to form the basis for further inquiry and to provide the context for the studies. The documents also helped to corroborate, compare and augment evidence from the interviews. This provided a means of validating aspects of the respondents' accounts and also helped to establish the authenticity of the documents by comparing their reports with what had been said by the respondents. This contributed to triangulation.
Table 3.3  
**Summary of the Types of Documents and Archival Records Collected**

<table>
<thead>
<tr>
<th>Type of Document/Record</th>
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<tbody>
<tr>
<td>Association of Colleges of Applied Arts and Technology of Ontario documents and environmental scans</td>
</tr>
<tr>
<td>budget documents</td>
</tr>
<tr>
<td>college annual reports and financial statements</td>
</tr>
<tr>
<td>college calendars</td>
</tr>
<tr>
<td>college guidelines for making operational plans</td>
</tr>
<tr>
<td>college news releases</td>
</tr>
<tr>
<td>college organizational charts</td>
</tr>
<tr>
<td>college surveys</td>
</tr>
<tr>
<td>committee working papers</td>
</tr>
<tr>
<td>demographic information reports</td>
</tr>
<tr>
<td>draft directional statements</td>
</tr>
<tr>
<td>key performance indicator documents from MET</td>
</tr>
<tr>
<td>memoranda from various college administrators</td>
</tr>
<tr>
<td>minutes from committee meetings</td>
</tr>
<tr>
<td>minutes from Board of Governor meetings</td>
</tr>
<tr>
<td>multi year plans</td>
</tr>
<tr>
<td>Ontario Council of Regents' reports</td>
</tr>
<tr>
<td>planning documents 2</td>
</tr>
<tr>
<td>summaries of college surveys</td>
</tr>
</tbody>
</table>
3.4.5 Linking the data to the propositions and criteria for interpreting the findings

For each case study analysis of the data involved: data reduction, data display, and conclusions drawn. Data reduction was done through a process of selecting, focusing, simplifying, abstracting and transforming the “raw” data continuously throughout the life of the project. However, the bulk of the analysis was done after all data had been collected. During data collection each interview account, field notes and document was assigned a code that identified the college, the participant, the date of the contact and whether it was an interview, a document or field notes. I made a contact summary which involved a series of focusing summary questions and open-ended answers about a particular field contact and interview. I also made document summaries to be aware of a document's significance and what it told me about the case that was important. I initially organized the data to select information to provide a historical narrative that summarized the budgeting-planning process in each college, and to provide financial and demographic data that provided a chronology of activities pertinent to the decision-making processes under investigation. All the relevant references to the college's approaches to decision-making and resource allocation were flagged in the interview accounts and then copied to separate files which permitted the sorting of data by both activity and chronological periods. This summary was checked for consistency and accuracy.

Different categories of files were created to help identify emerging themes and patterns to develop the analytical framework. I continuously examined the category of files to become familiar with the transcripts. As the transcripts became clearer, themes and patterns emerged. These were merged under appropriate categories, deciphered from the data. I made a list of potential categories, taking special note of those classifications which the respondents indicated through the use of their vocabulary were important and significant in the study. To ensure that the categories were generated through induction from the data, I reviewed the data to assess the fit between the data items and the potential classifications. Some classifications were also derived from the study's
propositions. Documents and field notes were subjected to similar treatment. Table 3.4 shows a list of these categories.

I assigned the data to the categories using the following procedure. All the data documents were first printed. Then, the appropriate category labels were assigned to the data on a sentence by sentence basis. In those instances where a sentence referred to more than one concept then each concept was classified. In some cases when new categories emerged, then I returned to the beginning of the data to check whether other sentences could be assigned to the new category also. There was some overlapping where some sentences referred to more than one category.

The data was then organized by different categories. Each individual sentence in an interview was assigned the appropriate category label corresponding to those listed in each account. These were copied at the end of each document. Sentences were sorted by category label. This produced a document divided into two parts. The first part was the interview, and the second part the category by category listing of the data items. This allowed me to trace each individual sentence back to the original interview after it had been sorted. The coded sentences were then copied to a common file which held all the data for each interview. The file was then sorted by category, and the categories were organized both alphabetically and by interview code within each category.

To recognize patterns the research questions at the centre of this study were used to inspect the categories, and the data from the interviews, documents and field notes: These questions as previously mentioned were: (1) How do the decision-making processes to determine priorities and to allocate resources operate? (2) Why were these processes chosen? (3) What considerations were given to teaching and learning within the decision-making process? A summary was written using this information in narrative form using selected quotes from the data. Chapters Four, Five and Six present the findings for each individual case study.
I used pattern coding to identify emerging themes and explanations that each case suggested to me. This was done to pull the data into more meaningful units of analysis as suggested by Miles and Huberman (1984). The pattern codes were developed from the first level of categories presented in Table 3.4. The first level of categories was incorporated into a smaller number of themes to form the pattern codes. I used the four major categories of: themes, explanations and causes, relationships among stakeholders, and theoretical concepts as suggested by Miles and Huberman (1984). This helped me to make comparisons and to draw causal links later on during the data analysis, and formed the groundwork for cross-case analysis. The purpose of these categories was to detect recurring patterns within the data that logically came together and that could be used to provide the basis for an explanatory account of the phenomenon being studied.

Pattern matching logic was used to link the data to the propositions and to develop the criteria for interpreting the findings. Such logic, according to Yin (1984) compares an empirically based pattern with a predicted one or with several alternative predictions. In essence, analysis consisted of moving data from category to category looking for commonalities and differences with the goal of developing a pattern in order to gain meaning. Emerging themes or patterns of several pieces of information from the first case were matched to show relationship or lack of relationship to the theoretical propositions. The propositions were revised as deemed necessary. Other details of the case were compared against the revised propositions. The propositions were again revised if necessary. Then the revisions were compared with the data from each additional case. In this way the propositions, based on previously developed theory and drawn from the literature, were used as a template with which to compare the empirical results of each of the case studies.
| Table 3.4 |
|-----------------|-----------------|-----------------|
| **Categories Used for Data Coding (First Level)** | | |
| Accountability | Egalitarian/ democratic | Professional development |
| Administration | Employment stability | Program content |
| Advisory Committees | Entrepreneurship | Quality |
| Analysis of process | Evaluation | Rationalization |
| Antecedent Conditions | Faculty | Reorganization |
| Benefits | Facilities | Resource allocation |
| Budgets | Financial | Restructuring |
| Capital spending | Flexibility | Retrenchment |
| Centralization | Formalized elements of process | Role of Faculty |
| Class room evaluation | Future Direction | Role of Stakeholders |
| Clients | Globalization | Role of Executive |
| Coherent | Goals and objectives | Role of President |
| Collective Agreement | Hierarchy | Role of President |
| College Executive | History | Role of President |
| College background | Industry | Role of President |
| Collegial | Information technology | Secret |
| Communications | Institutional | Self interest |
| Community | Leadership | Service |
| Conflict | Linkages | Strategies |
| Consensus | Marketing forces | Students |
| Constraints | Ministry of Education and Training | Style |
| Content | Mission | Support Staff |
| Context | Organizational structures | Teacher evaluation |
| Coordination | Outcomes | Teaching and Learning |
| Core | Participation | Transparency |
| Costs | Performance | Trust |
| Council of Regents | Planning process | Values |
| Current issues | Political Influence | Vision |
| Curriculum | Power | |
| Decentralization | Priorities | |
| Decision-making | Private and corporate sector | |
| Department/school/unit | Productivity | |
| Economic | | |
I developed a typology of each college's approaches to its task of the decision-making as it related to the resource allocation process and influence on the teaching and learning environment. For each case I showed why a particular proposition was demonstrated (or not demonstrated). The use of the three case studies allowed for across-case comparisons in order to identify patterns across situations as outlined in the replication approach to multiple case studies as proposed by Yin, Bateman and Moore (1983). For across-case analysis I indicated why certain cases were predicted to have certain results, whereas certain other cases were predicted to have contrary results. Then a cross-case report was compiled for the three cases. This is presented as Chapter Seven of the study.

Data display was accomplished through a variety of methods. Since rich depiction is the hallmark of most qualitative research, narrative text was used to display the data. These included telling quotes from interviews and documents, a description of the college's decision-making processes, and excerpts from the college's history illustrating the budgeting-planning process. Matrices were used to organize categories, and to place the information in an immediate accessible compact form. This technique helped to present the data in an effective way to aid in the cross-case analysis.

3.4.6 Criteria for judging the quality of the research

The variety of techniques used in this study to generate information represents an attempt to provide credibility to the study, that is, a basis for construct validity. This was necessary to establish correct operational measures for the concepts being studied; multiple sources of evidence essentially provided multiple measures of the same phenomenon. This form of triangulation where information from field notes and documents is juxtaposed with the interview data, is a way of gauging the trustworthiness of the study. Triangulation is supposed to “support a finding by showing that independent measures of it agree with it or at least don’t contradict it” (Miles and Huberman 1984: 235). This is considered to be an integral part of the data analysis. Yin (1984) points out that the most important advantage presented by using multiple sources of evidence is the development
of converging lines of inquiry, that is, a process of triangulation. Yin (1984) notes that any findings or conclusions in a case study are likely to be much more convincing and accurate, if they are based on several different sources of information, following a corroboratory mode.

I used pattern matching for internal validity to establish causal relationships, whereby certain conditions are shown to lead to other conditions. I made a matrix of categories and placed the evidence within such categories. I used replication -- a multiple case study design of three of the colleges in the Greater Toronto Area for external validity; that is, to establish the domain to which the study's findings could be used to make generalizations about the theoretical propositions.

For reliability, that is, to demonstrate that the operations of the study such as the data collection procedures could be repeated giving the same results, I used a case study protocol and developed a case study data base during data collection. The data base of notes, records, documents and narratives can be used to review the evidence directly. I also provided open-ended answers to the questions in the case study protocol. These answers represent an attempt to integrate the available evidence and to converge upon the facts of each case or their tentative interpretation. This also formed part of the case study analysis. The main purpose of the answers was to document the connection between specific pieces of evidence and various issues in the case study, through a generous use of footnotes and citations. These notes were placed on microcomputer discs and are categorized into major subjects as outlined in the case study protocol. I made an annotated bibliography of the documents used in each case study. The documents were placed in a primary and a secondary file.

To further increase reliability, I maintained a chain of evidence so as to allow an external observer to follow how I derived evidence from the initial research questions to the conclusions and vice versa. This not only helped to increase reliability but also helped to determine construct validity as suggested by Yin (1984). This was done through cross
referencing. I first cited relevant portions of the case study data base, that is, specific documents, interviews, or observations. The data base itself showed the actual evidence and also indicated the circumstances under which the evidence was collected, that is, the time and place of the interview. Next, these circumstances are shown to be consistent with the specific procedures and questions contained in the case study protocol, in order to show that the data collection actually followed the procedures stipulated in the protocol. Finally, the protocol showed the link between the content of the protocol and the initial research questions.

3.4.7 The study's limitations

This study, of course is not without its limitations. This study was limited to examining the decision-making process of resource allocation and the processes used to determine how to allocate resources in Ontario community colleges. This study also examined the considerations given to teaching and learning within the resources allocation decision-making process. This study was limited to three of the Greater Toronto Area CAATs. While literature was reviewed to provide a historical perspective of the developments leading up to the present, the study was basically concerned with the period of time following the provincial government’s fiscal cuts in 1995 and up until 1999. A further limitation of this study is that the data used are cross sectional, and therefore the interviewing in each college shows a picture of the college at a particular point in time. This does not take into consideration changes following the data collection period.

I did not include colleges outside the Greater Toronto Area in the study; since this, would have introduced greater diversity into the study. This diversity would have caused increased complexity and may have obfuscated any common themes which emerged from the study. Thus a limitation of this study is that, since it only involved the Greater Toronto Area colleges, themes emerging from this study may not be generalized to community colleges outside the area. However, while the conclusions and recommendations may not be generalized per se, they should still add insight into the resource allocation processes at all community colleges. Such insight will have some relevance to all community colleges.
in Ontario and in Canada. The colleges in the study were all publicly funded institutions; therefore, any themes emerging from this study cannot be generalized to cover privately funded institutions.

Other limitations of this study include those problems that threaten what Guba (1977) refers to as “authenticity” of the study. According to Guba, the intrinsic adequacy of the study is determined by the degree of “isomorphism” between the data and the phenomenon to which the data relate. Potential sources of distortion in the data range from the manner in which the researcher is perceived in the situation to the personal anxieties of the respondents. As previously mentioned, I am employed as a professor in one of the colleges in the study. The disadvantage of doing this type of backyard research is the change in my role from teacher to researcher. To help overcome this problem and to deal with my biases, I involved others with similar backgrounds to read the manuscript. Also to avoid arrogance regarding my knowledge of the subject, which could lead to unwanted extrapolation; I coded the data for themes.

In conclusion, what may be considered to be a further limitation to the study is the fact that the colleges are not identified by name. To allay any anxieties of the respondents, under the ethical protocols which were drawn up with administrative consent, it was agreed that the colleges would not be identified by name. However, it was agreed that detailed information would be given about each college so that knowledgeable readers might be able to identify the individual colleges in the study. Also to ensure individual respondents anonymity, I coded the names of the colleges and did not cite the names of the documents from which I drew the data. I maintained complete openness about my intentions and established explicit understanding with the respondents about how data obtained would be disposed of so as to safeguard their interests. I also agreed to provided them with transcripts of the interview data, prior to analysis of the data. This gave them the option to delete whatever they felt was a potential source of a threat to their interests.
CHAPTER FOUR
CASE STUDY REPORT OF COLLEGE X

4.0 Introduction

This chapter presents the case study report of College X. The purpose of the chapter is to address the objectives of the study, namely: to examine the decision-making processes through which priorities were determined and resources were allocated in College X; and to examine how teaching and learning were considered in relation to resource allocation decisions. In order to understand how these processes operated, it was necessary to first explore the context and setting of College X. The chapter is divided into two main sections. The first part of the chapter presents historical information about the college. This includes demographic and financial data pertaining to the research questions and information about the organizational structure of the college. This background information was derived from archival records, documents and interview data. Next the chapter provides, in narrative form, a chronological account of the main events associated with the development and implementation of the planning and resource allocation processes in the college prior to and during the period when the data were collected.

The research questions outlined in Chapter Three helped to focus the data collection process. The views of the respondents in this study are presented in the second part of the chapter to correspond with the study's purpose and with the research questions. The interviews focused on: (1) how the decision-making processes for determining priorities and for allocating resources operated; (2) why these decision-making processes were chosen; and (3) how teaching and learning were considered within the decision-making resource allocation process. The quotations used in the study have been carefully selected from the mass of information gathered to illuminate the themes under investigation.

While the data from the interview subjects are presented to reflect the study's objectives, an organizational schema was developed to simplify and structure the
Meaningful categories were determined based on the data as indicated in Chapter Three. Through intra-categorical analysis and cross-references, core themes were identified under which the information generated has been analyzed. Using the themes which emerged, I discerned that considerations given to teaching and learning during the decision-making processes examined in this study were most suitably structured by the following dimensions: (1) attempts to incorporate notions of program quality into resource allocation and budgeting techniques; (2) language used to discuss teaching and learning in relation to resource allocation and priority determination; and (3) how departments or areas were affected by priorities and resource allocation decisions.

4.1 Profile of College X

College X is not only one of the largest community colleges in Ontario, but also in Canada. Its enrolment grew from 12,000 full-time post-secondary students in 1993 to 13,500 in 1998. This is a percentage increase of 12 percent over the period. The college employed more than 600 full-time faculty in 1995. However, this had fallen to below 600 by 1998, a decrease of 12 percent. While the number of sessional faculty remained relatively constant at about 50 over the six-year period, the number of hours taught by partial load faculty rose from 650 hours in 1992 to 900 hours in 1997, an increase of about 38 percent. Part-time faculty teaching credit courses rose from about 450 to 550, an increase of 18 percent. However, it should be noted that a number of part-time faculty would have been teaching in continuing education. Also, there was no perceptible change in part-time enrolment levels over the period. This data suggested that the college had been using a decreasing percentage of full-time faculty and an increasing percentage of temporary (i.e., sessional and part-time) faculty to support the increase in full-time post-secondary enrolment, and to accommodate for the decrease in government funding in 1995.

Over the period 1993 to 1998 College X received, on average, eight percent of the province's total annual operating grant allocated to the 25 colleges in the system. Over this period, the college's operating grant decreased by 15 percent. This grant is allocated
on the basis of enrolment. However, College X’s total operating revenues decreased by only three percent from approximately $130,000,000 to $126,000,000. The college was able to recoup some of the decrease in the operating grant by increasing other sources of revenues, especially tuition fees. These rose by 51 percent. In 1993/94 the college’s operating grant was 53 percent of its total revenue. Tuition fees were 20 percent of total revenues. By 1997/98 the operating grant had fallen to 45 percent of total revenues, and tuition fees had risen to 30 percent of total revenues. These changes in revenue and sources of revenue can be attributed to the decrease in government funding.

College Y is financially stable and operates in the black as shown from its audited financial statements, memos, and other college documents. A college document dated June 25, 1997, stated that “currently we remain one of the few colleges in Ontario that’s in a secure financial position.” The same document also stated that: “Our proposed 1997/98 budget puts the college firmly in the black.” The college attributed its financial stability in large part to an action plan implemented in response to the provincial government’s budget cuts to post secondary education in 1995 when the CAATs received a 15 percent reduction in the operating grant. The decision to develop (what the college called ) an action plan was made by the Board of Governors who gave the college’s Executive Committee the mandate to initiate steps to deal with the impact of reduced funding to the college. The fiscal guidelines outlined by the Board of Governors focused on the need to develop and submit recommendations which would lead to balanced budgets for the 1996/97, 1997/98 and 1998/99 fiscal years. According to the vice-president of finance and administration: “despite the reduced funding, curriculum changes within the revised academic year and greater use of information technology in the academic delivery process helped the college.” As a result of the action plan, referred to as a financial blueprint, “the college continues to operate without a deficit.”

Education is a labour intensive industry. The allocation of funds or resources in College X reflected this. Seventy percent of total expenditures went to cover salaries and benefits in 1993/94 and by 1997/98, this had fallen to 66 percent. Direct teaching costs
are the largest component of total revenues, therefore, decision makers looked to this item in order to balance the budget. Direct teaching costs fell from 42 percent to 39 percent, while administrative costs remained a constant seven percent, and support costs rose by about three percent. The college's white paper on cost reduction opportunities to accommodate the decrease in the operating grant stated that: "a significant portion of the estimated budget reductions will have to be realized from reductions in instructional salary expense." The increase in non-labour costs could be a reflection of the college's search for more efficient "alternate learning modes."

4.1.1 Organizational structure of College X

College X restructured and reorganized in 1996 as a cost saving measure following cuts in provincial funding, and reduced the number of vice-presidential positions to three. The college was restructured to represent three distinct components of activity: College X, College X International, and College X Foundation. College X involved the traditional post-secondary activities, government contract activities and continuing education. Figure 4.1 shows the organizational structure of College X. College X International was conceived as a separate, arm's length, organization whose purpose was to develop and pursue international contracts and partnerships in order to contribute ongoing operational and capital funds to College X. Similarity, the College X Foundation was conceived to advance the college, to conduct fund raising campaigns for endowed faculty chairs and capital support, and to help forge partnerships and strategic alliances with college alumni and the corporate community. The college offered more than 100 post-secondary programs clustered in five major faculties of Applied Arts and Health Sciences, Technology, Business Studies, Continuing Education and Contract Education Services. The college also offered an assortment of short-term training and development programs. The college operated in about ten different campus locations. The goals of the college as outlined in college documents were "a commitment to quality education, financial viability, and employment stability." The college stated that its mission was "to provide career-related education and training that enable our students to succeed in the global economy."
Figure 4.1
Organizational Structure Of College X

Board of Governors

College President

Administrative Assistant

Executive Assistant & Chief Information Officer

Director Strategic Planning

Vice-President Academic

Vice-President Human Resources, Student Services, International Development

Vice-President Finance & Administration

Secretary to Board of Governors

Director Marketing & Communications

School Principal

Schools, Departments, Units
4.1.2 Historical context of planning and budgeting in College X

College X developed a strategic planning process in 1992, initiated by the president with the approval of the Board of Governors. The president created the vice-presidential position of Human Resources and Strategic Planning and appointed a committee including himself, and representatives from all employee groups, students, alumni, the Board of Governors, local school boards, businesses, and the government. The college also used the services of a consulting firm. The plan included a mission statement, a vision of the students, and a vision of the college. To achieve its mission and reach its vision, the plan focussed on four strategic directions: organizational renewal, priority setting and resource allocation, curriculum and teaching, and services.

The college viewed strategic planning as an approach to setting priorities. One respondent stated that: “Stakeholders wanted systems put in place to set priorities and to support and monitor their implementation.” According to the plan stakeholders also wanted, along with the implementation of a participatory management process, an improved priority setting and resource allocation system which they believed would enhance resource responsibility both individually and collectively throughout the organization. To achieve this, strategies were devised to: (1) evaluate all department or unit action plans to ensure consistency with the strategic plan; (2) allocate available resources consistent with the strategic plan; (3) reserve and allocate a portion of each annual operating budget for innovative programs and services to further the strategic plan; (4) develop and implement a facilities evaluation process which would recommend plans that would improve the overall level of service provided by the college; (5) explore economic, social, technological, employment and educational trends that would enable the college to focus its resources on those programs, services and activities which would support student success; and (6) investigate and consider alternative sources of revenue which would support the accomplishment of the strategic plan.

In 1995, in response to the provincial government's announcement that the operating grant would be reduced by 15 percent, the Board of Governors requested that
a presidential ad hoc advisory committee develop an action plan to respond to the cuts in government funding. This action plan, presented to the Board of Governors in 1996, was an operational plan which included projections over a three-year period. To keep the college financially stable the plan focussed on major initiatives such as: revenue generation, reduced costs, program rationalization and organizational restructuring. Revenues were increased through higher tuition fees, and higher charges for international contracts, student residences, book store items, parking charges and advertising. Costs were reduced through program rationalization and organizational restructuring. This involved the cancellation of some programs, decreasing the number of faculties, campus consolidations, reorganization of student services, the registrar's office, financial services, purchasing services, human resources and changes to the academic year. Further cost reduction involved the use of part-time faculty to fill sabbatical replacements, and a reduction in the number of full time administrative, faculty and support staff positions.

One of the outcomes of the college's action plan was an impetus to review its 1993 strategic plan. This was done in 1995. In this college the planning process was initiated at the college executive level under the direction of the Vice President of Finance and Administration. The college used an outside consulting firm to advise on design and implementation of the process. All members of the college community were invited through their departments or units to take part in the strategic planning and designing of operational plans at the unit and department levels. Evaluation and monitoring were done through the units and departments and the Finance Department. Approvals for all plans and budgets were at the various levels of management including: the Board of Governors, the College Executive Committee, deans and directors, and the line supervisors. This process was outlined in the college's annual strategic plan cycle as discussed in the various phases below, and outlined in Table 4.1.

In 1995, on the initiative of the College's Executive Committee, and under the direction of the college's Office of Strategic Planning, a Strategic Plan Advisory
Committee, made up of internal and external stakeholders, reviewed the content of the College's 1993 strategic plan to:

- explore economic, social, technological, employment and educational trends that will enable the college to focus its resources on those programs, services and activities which will support student success.

The committee found that the 1993 strategic plan was "weak in the areas of accountability and responsibility, that it lacked measurable outcomes and ineffective understanding of external issues and trends." The committee set up a "Scan Team" to assume the responsibility for systematic environmental scanning. The "Scan Team" used a participatory approach in fulfilling its role. This was done through focus groups, scanning workshops, surveys, and the use of a web site. The team solicited input from a cross-section of employees, students and employers throughout the college and the external community to determine key trends on which to base the revised strategic plan. On the basis of the environmental scan, the college derived the guiding principles "that significant social, economic and technological forces are changing society, work, education and training." The college's strategic plan was developed within the context of the environmental scan.

The college considered its strategic plan to be dynamic and evolving in response to changes in the college environment. The college saw key trends of "more speed and complexity of change, service orientation, customization and choice, entrepreneurship, perpetual learning, and multiculturalism and diversify in contrast to less government funding." These trends, according to the strategic plan, were buttressed by "new market forces such as workplace skills, technologies, partnerships, nature of work, globalization, work competition and standards." The strategic plan was considered to be the college's statement of its goals, mission, purpose and commitment with explicit objectives and strategies to realize the stated mission. The strategic plan was reviewed and revised annually beginning in 1995 with input from all departments and units, the Strategic Planning Office, the Executive Committee and the Board of Governors. The plan was approved each year by the Board of Governors.
Table 4.1
Annual Strategic Plan-Budget Cycle: College X

<table>
<thead>
<tr>
<th>Activity</th>
<th>Timing</th>
<th>Responsibility</th>
<th>Approval</th>
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<tr>
<td>Environmental Scan</td>
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<tr>
<td>Trend Analysis</td>
<td>January - March</td>
<td>Strategic Planning Office</td>
<td>Executive Committee</td>
</tr>
<tr>
<td>Ratification</td>
<td>April</td>
<td>Executive Committee</td>
<td>Board of Governors</td>
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<tr>
<td><strong>Strategic Plan</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Review and revision</td>
<td>April - October</td>
<td>All unit work groups Strategic Planning Office</td>
<td>Board of Governors</td>
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<td></td>
<td></td>
<td>Executive Committee</td>
<td></td>
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<td></td>
<td></td>
<td>Board of Governors</td>
<td></td>
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<tr>
<td><strong>Operational Plans</strong></td>
<td>October - December</td>
<td>All unit work groups</td>
<td>Deans/Directors Executive</td>
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<td></td>
<td></td>
<td></td>
<td>Committee</td>
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<tr>
<td><strong>Budget Development</strong></td>
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<tr>
<td>Unit Budgets</td>
<td>October - January</td>
<td>All unit work groups</td>
<td>Line supervisors Executive</td>
</tr>
<tr>
<td>College Budget</td>
<td>January - April - May</td>
<td></td>
<td>Committee</td>
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<tr>
<td>Final submission</td>
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<td>Board of Governors</td>
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<tr>
<td><strong>Final Year Budget Review</strong></td>
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<tr>
<td>Mid-year results</td>
<td>October</td>
<td>All unit work groups</td>
<td>Line supervisors</td>
</tr>
<tr>
<td>Year-end results</td>
<td>May</td>
<td>All unit work groups</td>
<td>Line supervisors</td>
</tr>
<tr>
<td>Auditor's Report</td>
<td>June</td>
<td>Finance Department</td>
<td>Board of Governors</td>
</tr>
<tr>
<td>Financial Statements</td>
<td>Monthly</td>
<td>Finance Department</td>
<td>Board of Governors</td>
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</tbody>
</table>
Each department or unit then developed its own operational plans on the basis of the strategic plan and the college’s action plan. Input into the operational planning process was done by individuals submitting proposals for action plans for the consideration of local teams as they developed their operational plans. There were also consultation opportunities, such as a strategic planning web site, scanning workshops, and focus groups. Deans, and then vice presidents, reviewed and approved each operational plan. The vice presidents then met to synthesize the proposals from the various operational plans into a college wide operational plan. The Office of Strategic Planning collated and reviewed the plans to ensure consistency, completeness and the complementarity of the individual plans.

According to respondents and college documents, the operational plans were designed to address “our core business and the effectiveness with which we achieve our core business. The plans should be associated with a sense of priority.” The first priority of the college was that fixed costs had to be covered. The next priority was that core business requirements had to be met. In the academic areas, the core business level was considered to be the instructional process for a base enrolment level, and all associated expenses for line items which were required to deliver the core business in an “effective and high quality manner.” In administrative areas, the core business level could be expressed in terms of hours of operation over a specific time frame or a base level of staffing for a given function. This core business level had to be related to a service standard statement. The next priority level consisted of activities which did not form part of the base level of core activity, or which were requested add-ons. These were items such as a second or third section of a program to incorporate growth in enrolment, or expanded hours of operation of a microcomputer centre. For these items, supporting rationale was expected to be supplied by means of statements relating to college or departmental operational plan priorities and/or specific service standards.
If a faculty member developed new ideas for courses and programs in a particular school then the onus was on the local area to develop a list of "opportunities". The local area would then assess the allocation of its existing budget to see what options were available to reallocate resources to pursue these opportunities. If additional resources were still needed, then proposals had to be tabled as part of the local operational plans so they could be considered when and if additional resources became available. Capital budgets were included in the budget process. Departments were required to forecast the purchase of capital items and to provide a rationale for these expenditures.

The decision to link the college operating budget to the college strategic plan and the departmental operational plans came from the Board of Governors. According to the Vice President Finance and Administration, the board believed that "the college operating budget should be built to ensure that the strategic plan is achieved through the achievement of operational plans." Each unit or department had a work group which then had the responsibility to develop its budgets on the basis of the operational plans. The college used budget forums and a web site to communicate to stakeholders the budget process and to answer questions related to the decision making process. The process for budget development involved the release of data and projections received up to that date, including a first draft of enrolment plans to allow for tuition calculation. Projected revenue data were also provided. This was followed by a release of initial draft documentation on the allocation of funds. After the line supervisors approved their budgets, cost centres or units then submitted their budgets to the Resource Allocation or Utilization Committee.

The Resource Allocation or Utilization Committee was chaired by the Budget Director. The Director of Strategic Planning and the Executive Assistant to the Vice-President Academic sat on the committee. The other five committee members were appointed by the Executive Committee from nominations and volunteers from internal stakeholders in the college community on the basis of "college budget experience, and a sense of college culture and community." The role of this committee was "to review the
submitted operating budgets, to review all local operational plan priorities, and space facility implications with the objective of making recommendations to the Executive Committee." After this committee met and submitted its recommendations to the Executive Committee, the college budget was then developed by the Finance Department. According to the Vice President Finance and Administration, "the college budget will be developed to serve and facilitate the achievements of the college objectives and strategies and the faculty/school/department operational plans." He also pointed out that each local area would be provided with initial allocations based on projected revenues and approved operational plans. Central funds would be provided for initiatives which could not be funded within the initial allocations and which were judged to be priorities within the strategic plan. The Executive Committee made final submissions, and approved the budget. It was placed on line via the web, and presented to the Board of Governors for final approval.

The final phase of this budgetary planning process involved a fiscal year budget review process. This included a midyear review which was the responsibility of all departments and unit work groups. Line supervisors approved this mid-year budget. There was also a year end review which was the responsibility of the departments and unit work groups and was approved by the line supervisors. The Finance Department was responsible for the auditor's report, and approval for the report was given by the Board of Governors. The Finance Department also produced monthly financial statements which were presented to the Board of Governors.

4.2 Linking the research questions to the data

As discussed in Chapter Three on design and methodology, in order to recognize patterns the central research questions were used to examine data from the interviews and documents. Each of the three research questions was examined individually. This section of the study is a summary of that analysis and is done in narrative form using selected quotations from the data.
4.2.1 Question # 1: How did the decision-making processes for determining priorities and for allocating resources operate?

During the period under review, the institutional decision-making process in College X operated through an integrated management system. It was an iterative, continuous series of activities and decisions, with a constant focus on goals and objectives. The college used strategic long term planning which emphasized the need for the college to examine its environment, its priorities, and its future. The college used strategic and operational planning combined with financial strategies to achieve its goals and objectives. The processes used in College X were considerably decentralized, participatory and transparent as judging from the following comments from respondents:

There are forums to identify priorities, assess divisional revenues, capital assets and to give budget directions.

We are going around to all the campuses and doing a dog and pony show to explain to the college community what we are doing, and what role we expect them to play in the process.

The budget process is a change from prior years. This is a new more open process built on the college’s strategic plan and the departments’ operating plans.

Each department will create its own budget. We had 67 operational plans filed last year. That means that we had, if you will, 67 independent or separate working groups.

A varying number of people participated in the different groups which developed operational plans. One respondent indicated that:

Among those 67 groups the range of how those plans were written ran the full gamut from the supervisor who sat in his office, shut the door and wrote the plan himself, to a group, I’m thinking of one group academic, that had an all day Saturday workshop and got two-thirds of the department to show up including students.
According to respondents, in College X, a variety of mechanisms were combined to form an economic model to decide how to allocate resources. This model used a combination of free market and other features. The most important of the market features considered such factors as: program costs, and revenue generated by the program. This aspect of the model seemed to be based on some notions of productivity and efficiency. College documents stated that:

Budget allocations must cover the cost of the base core, fixed cost and capital costs; and programs have to cover their costs.

This was repeated by the chair of a budget forum which I attended, and which was given to explain the new resource allocation procedures. The fixed costs were identified as the costs of items for which the college had long term obligations such as leases and rents and other overhead costs. These are costs that do not change as output or inputs change. Capital costs are the costs of plant and equipment. An area which could generate its own revenue received additional benefits in that: “Any money generated by a division belongs to the division.” Also as a result of fee deregulation in some areas, respondents noted that: “Any fee increase in a particular program belongs to that department.” This model also took into consideration other market factors, such as student demand. This model was based on responsibility centre budgeting. One respondent stated that:

Students will vote with their feet if they think that a course is too difficult, or if they believe that there are no job prospects from a particular program.

This model allowed for some degree of flexibility to accommodate changes in the external environment. One respondent noted that:

One of the responsibilities of my office is to be aware of the changes that are coming down the pipe in terms of policy or even values or intentions behind the important stakeholders like the MET, as well as private firms and to respond to them.

Respondents all stressed that the college tried to be pro-active, but also stated that: “as publicly funded institutions we have to follow policy and guidelines from the
Ministry and the COR.” However, they all emphasized that both the Ministry and the COR did not tell them how to allocate resources internally. Respondents were anxious not to portray the college as reacting only in response to policy guidelines and initiatives from the Ministry and government regulation; however, some data suggested that the college was under considerable stress to adapt to the external environment and was greatly influenced by Ministry policies and market forces.

Custom and high authority and negotiation also played important roles in the decision-making process on how resources should be allocated. This was reflected in the quotation from one respondent that: “The Executive Committee and the Board of Governors decided to do it this way.” However, the same respondent reported that:

One of the interesting things is that the Executive Committee takes big globs of money off the top ahead of time and the Resource Allocation Committee challenged them and got them to withdraw some of their off the top hold backs and put this in the central fund. That was a bit of a change. I mean that there were these globs of money, and there were always round numbers too, with no operational plan, but you are asking your academic schools to develop all these fancy plans to account for every penny. You say well, I’m taking half a million dollars for X, well account for how you are going to spend it.

4.2.2 Question #2: Why were these decision-making processes chosen to determine priorities and to allocate resources in the college?

In College X respondents felt that the procedures in this college were chosen because they were transparent and therefore contributed to accountability to students and to the public purse. The process nourished a climate of trust and collaboration, and forced stakeholders to be more cognizant of the scarcity of available resources. They believed, according to one respondent that:

Our process is open, but I think that it should be even more open. I think it’s open because that is what our community wants and we are trying to respond to that, and I also think that it helps people to understand some of the collaboration that is necessary to succeed and that we can’t empire build anymore. The openness, it complements the kind of culture we are trying to develop in the college.
Documents showed that the college was attempting to introduce new procedures for decision-making as a result of provincial government cutbacks. A respondent also pointed this out:

This is a new process that we are trying out this year. This is in response to the cuts in government funding, fortunately we have been able to stay in the black. We developed an action plan to help deal with the impact of reduced funding to the college. What we are doing is trying to achieve more efficiency and accountability.

The college also seemed to be searching for a “right way” to establish a link between planning of priorities and the budgeting process. The need to find the ‘right way’ appeared to be based on “efficiency” and “accountability” concerns. This was also reflected in the decision to use external consultants to help them design and implement the process.

We are trying to make the shift from ---- having, instead of ---- having the budget or the resources drive the planning we want to do it, if you will, the right way and have the plan drive resource allocation of the budget building; so that the plans come first.

Respondents believed that the College’s senior officials and the Board of Governors wanted it done this way. However, no respondents or documents show evidence that the president had played a major role as an individual in the decision-making process. When respondents discussed decision-making they always used the word “we” as their subject. This was also observed in the budget forum, and in documents. When asked whom “we” referred to, respondents replied “the Board of Governors,” “the College Executive,” or the “College.” However, not all internal stakeholders seemed to be completely satisfied with the process judging from this comment from a member of the Resource Allocation Committee.

This is the first year that we have been quite so open, but believe it or not, there are some line managers who are complaining that we are taking a step backwards because of the Resource Allocation Committee. That we have disempowered them because we didn’t fund a particular priority. And who are you to tell me how to spend my money?
4.2.3 Question # 3: How were teaching and learning considered within the decision-making process for allocating resources?

The following questions, based on the theoretical concerns in this inquiry, helped to illuminate the influence of resource allocation and priority decision making processes on the teaching and learning environment. (1) What attempts were made to incorporate notions or concepts of program quality into resource allocation decision-making? (2) How were teaching and learning discussed in relation to resource allocation and priority determination? (3) Which departments or areas benefited from resource allocation decisions, that is, were there any significant shifts in the type of programs offered?

4.2.4 Program quality and resource allocation techniques

College X had committed itself to three goals in its 1996 strategic plan. The first of these goals was to provide a “quality of education,” that is, “a quality learning experience through a relevant curriculum that will be designed to be available at a time and place that meets the needs of the learner.” Here, the college recognized that the central focus and purpose of the institution were to its students. The college’s next goal was a commitment to “financial viability.” This was deemed necessary to achieve the college’s mission. The third goal was “employment stability” which, according to the college, could only be achieved “if all members of the college community maximize their employability by continuing to upgrade their skills to meet the changing needs” of the learners.

The college seemed to be particularly concerned with some notion of program quality and to have made some attempts to include learner reactions to courses and programs in budget development. Documents showed that the college believed that a strategy to achieve financial stability was to “utilize budget decisions making methodologies that support and facilitate the college’s strategic and operational plans.” The most important of these, according to college documents, was the goal of quality education. When an academic department developed its budget then the cost of its core business requirements, defined as “the instructional process for a base enrolment level...
and all associated expenses for line items which are required to deliver the core business in an effective and high quality manner,” had to be covered. Again, in reference to ‘quality’, documents stated that: “core budget costs are those costs which are required to meet a minimum quality level of service or education and training delivery.”

There seemed to be some difference in opinion among internal stakeholders as to the meaning of ‘quality’. During the open forum the phrase “minimum level of quality service” was repeatedly used. Sometimes the same respondent would discuss the budget in terms of “to deliver the core business in an effective and high quality manner.” At other times this became “the mission of the college is to provide career related vocational training, this will be reflected in the core which covers the minimal level of quality.” One respondent explained during the open forum on the budget that: “obviously the definition of minimum quality level is subjective and open to interpretation, but it is your responsibility to attempt to define the minimum level in direct connection to your core functions.” This respondent went on to explain that: “it is expected that the core budget will include the fundamental and most important of your local operational plan priorities, and you will be asked to identify these priorities and their associated costs.” The concept was clarified by the following example.

In the academic area the core budget should support the projected enrolment plans and all the academic infrastructure requirements related to that enrolment plan such that the minimum level of quality service was provided. This means that there should be expenditures recognized for professional development, instructional materials, program development, program review, and all the other line items without which the minimum level of quality service for a given level of enrolment could not be achieved.

The interview data also suggested some ambiguity regarding the ‘level of quality’ and attempts to link reactions to programs into budget development. One respondent stated:

From the college's strategic plan they are to develop operational plans and from those plans they are to estimate the resources they need to realize the plan at different levels. The optimum amount that you would need to provide a quality education, and then build on that. So to develop their plan they must look at the base that must be done from their professional point of view, then improvements above that, and what the resource implications are for those improvements.
The following responses from the same senior administrator showed evidence of trying to link budgeting techniques with effectiveness and quality. These responses also suggested ambiguity regarding the concept of 'quality'.

For example for the academic areas this will be the instructional process for a base level of enrolment and all expenses associated for line items which are required to deliver the core business in an effective and high quality manner.

The minimum, or no, how should I put it? The optimum amount, the optimum amount that you would need to provide a quality education and then build on top of that.

In the literature on higher education, there is some ambiguity and much debate regarding the concept of ‘quality’. ‘Quality’ is sometimes identified as ‘excellence’ or exceptional performance measured against some implicit standard such as student achievement, teaching or research; and sometimes as ‘fitness for purpose’ whereby learners have a say in defining both ‘fitness’ and ‘purpose’ (Middlehurst, 1995). Sometimes ‘quality’ is used to describe a level or standard of satisfaction with a product or process such as ‘a quality education’ or to define the features or characteristics of something. In the literature on ‘quality’ the processes needed to assure quality are listed as student centeredness, attention to the teaching and learning process, and gaining feedback needed to assure educational ‘fitness for use’. Ball (1985: 96-102) argues that ‘quality’ implies a respect for wholeness and breath, and “a concern for the process of thinking and acting as well as the products.” Ball contends that this cannot be reducible to ‘performance indicators’ or efficiency measures. “Quality in higher education,” Ball, 1985: 100) argues, “is far too important an issue to be appropriated by decision-makers as a means of planning the distribution of resources.” Moreover, students of the subject generally agree that quality when used in the context of productive behaviour is not synonymous with excellence.

Quality was often cited in relation to efficiency and effectiveness. Economists define efficiency as a given level of output or benefits produced with the minimum level of resource input or costs. Because outputs in education are multiple, complex and difficult to measure, efficiency is considered to be an illusive goal. However, this was
obviously one of the goals of College X, judging from the data obtained from college
documents and interviews. In the literature on higher education, effectiveness is
perceived as successful transactions encompassing resource inputs, process and outputs
(Cameron, 1978). Cameron derived nine scales of institutional effectiveness: student
educational satisfaction, student academic development, student career development,
student personal development, faculty and administrator employment satisfaction,
professional development and quality of the faculty, systems openness and community
interaction, ability to acquire resources and organizational health. In exploring the links
between quality, institutional effectiveness and leadership, Middlehurst (1995:) argues that
"the achievement of 'quality' particularly in a changing environment, is a difficult and
complex process involving a number of elements and transactions." He proposes that:

The establishment and operation of quality systems by themselves will not
produce quality outcomes or 'institutional effectiveness', particularly where such
systems are generated solely or primarily in response to external assessment and
accountability. Leadership is also required to explain, justify and promote the

Middlehurst also points out that achieving a critical mass of shared meanings and
commitment to go forward requires not only leadership of a high order, but also
leadership spread at many levels throughout an institution.

One of the college's strategic objectives was to "assess and improve existing
programs and to provide new and collaborative programs." The criteria to achieve this
objective involved a review of one third of all programs every year and the development
of action plans for each program in response to conclusions and recommendations from
the program review. The literature on program review considers workload criteria such as:
academic scheduling, instructional assignment patterns, student contact hours, teacher
contact hours, space per student, and facilities (availability and obsolescence of
equipment), quality of instruction, professional development, and curriculum development
to be all measures of education quality (Groves, 1979). The college's review of its
programs obtained information regarding the quality and value of its programs, responded
to the views of students and graduates, employers and partners, faculty and staff and to
objective data through the use of performance indicators. The college's performance indicators were based on Ministry indicators introduced in 1996/97. These were student satisfaction, graduate satisfaction, graduate placement and employer satisfaction. These would appear to be consistent with some of Cameron's nine scales of institutional effectiveness.

College X seemed to be flirting with a definition of quality education which encompasses 'fitness for purpose' and which allowed the college to define its purpose in its mission and objectives. 'Quality' was demonstrated by achieving the three goals of quality education, financial viability and employment stability. Simultaneously, the college viewed quality as excellence as reflected in its program review process. It should also be noted that the college planned to "establish, and apply service quality standards within each functional area of the college, using external benchmarks as appropriate." In this instance the college was using quality as a comparative concept, whose goal is to identify outstanding programs (Mason, 1985). This automatically included the goal of identifying those programs considered to be problematic; recognizing that one of the purposes of program review was to determine whether programs should continue to receive resources.

In discussing resource allocation, college documents and interview data were replete with references to the market. The college was considered as a firm producing a commodity to be exchanged in the marketplace both locally and internationally. The college was repeatedly referred to as a 'service provider', the students were referred to as 'customers' and 'clients', and faculty as an 'expense'. The work of the college was considered in terms of 'value in use', to be produced at the lowest possible cost. The college's strategic plan, in enumerating what the college considered to be key trends, used language such as: more service orientation, more customization and choice, more entrepreneurship, globalization and competitive standards. In the guidelines given to departments to develop their operational plans, one of the qualities of the operational plan was cited as: "identification of planned improvements for effectiveness and efficiency." In the college's environmental scan there was a reference made to the use of "increased penetration of business thinking into the professions." One respondent
mentioned 'retooling' the college as one would a manufacturing plant. Respondents also expressed the need for the college and for its programs to be 'competitive'. One respondent expressed the view that 'globalization' was a major trend to which the college had to be more responsive when making decisions relating to resource allocation. One respondent stated that: “Standards are changing and we need to achieve international competitiveness, we need to be competitive both locally and internationally.”

Documents also cited the need to develop “a global orientation.” This would be done through the newly established College X International.

The terms ‘efficiency’, ‘effectiveness’, and ‘accountability’ were repeatedly used in relation to decision-making as it related to resource allocation. Documents and respondents used these concepts interchangeably. They were most often linked to ‘quality.’ They used concepts associated with, among other things, total quality management such as ‘bench-marking’ and ‘action plans’ as reflected in statements such as: “We will establish, and apply service quality standards within each functional area of the college, using external benchmarks as appropriate;” and “we must develop new and enhanced services to provide for greater flexibility, effectiveness and efficiency.”

Documents stated that when allocating resources the purpose should be to facilitate learning in such a way as to find the most effective and efficient learning strategies. One respondent stressed: “what we are trying to do is to link the budget to the strategic plan to achieve more efficiency and accountability.” Another respondent simply said: “We are a publicly funded institution so we are accountable to the community.” A senior administrator stated:

The other thing that came up as we developed the process was the chain of command or line accountability. For example, we got some things in terms of requests for priorities that were clearly odd, that did not seem appropriate for the priorities. We kind of go along and we don't get rewarded. Nor are we punished for doing things poorly so that is still the gap in terms of both the process and what actually happens. We have no mechanism for ensuring some effectiveness of the process and when plans are really well executed we don't positively reinforce people. There is not enough accountability.
Hüfner (1991: 48) defines accountability as “the responsibility to demonstrate the achievement of certain ends by employing the most efficient means.” He shows that “accountability has to do with efficiency and effectiveness, with performance assessment, with truthfulness concerning information about activities designed to reach specific targets.” Hüfner identifies five function-specific types of accountability. These are teaching accountability, learning accountability, administrative accountability, consulting accountability and research accountability. Of these, only the first three are relevant to the community college. Sizer, (1992) describes administrative accountability, which includes fiscal accountability, as the responsibility of management for the development and implementation of policy and/or management of affairs and resources to demonstrate not only propriety but also how economic, efficient, and effective those policies and/or management have been over a period of time through progress reports. Sizer, (1992) also describes teaching accountability as accountability for teaching quality which includes regular reviews of course structure and content, quality and quantity of teaching resources, quality of course delivery, staff development and appraisal, extent of student and employer satisfaction as well as external accreditation and assessment. It should be noted that a 1993 Ontario Task Force on University Accountability pointed out that accountability involved not only ‘strict’ accountability regarding the allocation of public funds under explicit regulations, but also management of human resources, the fulfilment of social policy, and the effectiveness of external communications. Respondents in College X discussed accountability in terms of administrative and learning accountability.

4.2.5 Discussion of teaching and learning in relation to resource allocation

In the 1980s Levin and Dennison examined responsiveness and renewal in Canada’s community colleges and found that “college personnel, at both the instructional and administrative levels, placed the highest priority upon the teaching and learning function of colleges” (Levin and Dennison, 1989:55-56). These researchers saw teaching and learning as one function. At the same time they noted that “the concept of learning, teaching and student services” was under review (Levin and Dennison, 1989:55-56). Documents and interview data suggested that in the latter part of the 1990s, teaching and learning were not consider by College X to be one function. In the 1993 strategic plan and
in the 1995 action plan there were several references to 'teaching and learning'. However, in the 1996 strategic plan these two concepts were decoupled in relation to the resource allocation process. There was no evidence to show that the expression 'teaching and learning' was ever used in relation to programs and courses; nor was 'teaching and learning' mentioned in the strategic plan. The plan made reference to finding "the most effective learning modes." To achieve student success respondents talked about "modes of learning" and "delivery options." One respondent stated that the college had to "seek out the best learning materials available" so as to be efficient. In essence, teaching was considered to be a 'learning mode' or 'delivery option'. As mentioned earlier, teachers were referred to as a labour expenses. This gave the perception that labour expenses could be substituted with a capital expense or a more efficient learning mode.

Faculty involvement in the planning process was varied, as pointed out by a senior administrator. This respondent felt that the level of involvement was partly determined by the leadership of the department, as departments were not given any particular process to follow to develop their operational plans. "I know the groups that are going to have problems, and it is highly correlated to the leadership style of their first line managers." The respondent continued, "I mean, I know that the man is well respected by the faculty. He respects them. He shares information. He is enthusiastic." In another instance the respondent noted that "like for example, we only had fourteen people show up which is not even half of the faculty." This respondent also pointed out that: "the ones where the boss locked him or herself in the office and wrote it themselves were the weaker plans." This respondent noted that there was no level of accountability for "bosses" who did not consult and perhaps produced poor plans, and sited this as one of the weaknesses in the process. Although faculty played a role in the planning-budgeting process, there was no evidence to show that faculty could vote on any decisions. All documents and respondents stated that the final decision-making authority was the Board of Governors and those to whom the Board had delegated responsibility.
4.2.6 Reallocation of resources among departments

College X's calendars from 1992/1993 to 1998/1999 showed that College X began this period with five faculties: Applied Arts and Health Sciences, Applied Science and Engineering, Business, General Education and Developmental, Trades and Apprenticeship Programs, and ended this period with four faculties. The Faculty of Applied Science and Engineering Technology became the Faculty of Technology and expanded from five to ten schools. As shown in Table 4.2 below, the Faculty of Technology expanded over the period reflecting a shift of resources from other areas to this area. This faculty acquired the School of Communication Arts and the School of Computer Science from the Faculty of Applied Arts and the Faculty of Business respectively. Three new schools were also added to the Faculty of Technology. The Faculty of General Education was eliminated and its programs were decentralized to the Faculty of Business, Faculty of Technology and the Faculty of Applied Arts and Health Sciences. College X terminated programs in coaching, dental hygiene, dental assisting and mechanical engineering.

Table 4.2 shows the reallocation of resources among faculties. Policies favoured areas which could generate revenue and cover costs. The Faculty of Applied Arts and Health Sciences and General Education seemed to be the most adversely affected by resource allocation decisions. These policies resulted in cuts in some program areas and growth in other areas. College documents showed that there was a significant shift in resources from some areas of study to other areas. The School of Computer Studies grew by 36.5 percent between 1996 and 1997. The school also moved into expanded quarters in the fall of 1997. The School of Business Management's Internet and Electronic Commerce post-diploma program also expanded. Also enrolment in community service programs such as Early Childhood Education, Social Service Worker and Nursing fell. The number of students enrolled in the School of Accounting and Finance and the School of Civil and Resource Engineering Technology also declined. The college also reallocated resources into the recruitment of international visa students as this was considered as an area which could generate revenue. These students pay the full fee for service cost, and
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are not subsidized by government. College documents stated that projected targets in this area were not reached. The number of international students actually fell from a high of 604 in the fall of 1993 to 564 in the fall of 1998. The college attributed this to increased competition from other colleges and universities for international visa students.

4.3 Summary

The decision-making process to determine priorities and to allocate resources in College X reflected what Mintzberg (1983) considered as a power configuration, in which the organization is dominated internally by senior administrators who direct the organization toward some system of goals such as survival, efficiency, control and growth. In this model the organization is in pursuit of a mission with very formalized procedures. In College X the process was a highly formalized, integrated process. It was decentralized, participatory and transparent. However, senior administrators wielded a considerable amount of power as the decisions made by other internal stakeholders were recommendations which the College Executive and the Board of Governors could reject and over which they had the final authority.

The college's management system was based on the principles of a for-profit corporation. The leadership in the college had adopted the values and language of such organizations, as they saw these as successful institutions in the society. Learning was seen as a commodity and teaching as an expense. The success of a department or a unit depended very much on its ability to fulfill its role in terms of the mission of the college which was based on survival and efficiency, the ability to cover its costs and the generation of revenues. The process was greatly influenced by external stakeholders such as the Ministry and market factors. Data suggested that many of the decisions made were taken to accommodate declining government funding. Indeed, the decision-making process itself was implemented to facilitate the 15 percent cut in funding in 1995. Consequently, the college established a decision-making process which involved a search for an efficient way of allocating resources, while simultaneously maintaining some 'minimum' or 'optimum' level of quality of education.
CHAPTER FIVE
CASE STUDY REPORT OF COLLEGE Y

5.0 Introduction

This chapter presents the case study report of College Y. The chapter uses the same format which was used in Chapter Four, the template for data analysis of the three case studies. The first part of the chapter presents historical information about the college. This includes demographic and financial data pertaining to the research questions and information about the organizational structure of the college. This background information was derived from archival records, documents and interview data. Next, the chapter provides, in narrative form a chronological account of the main events associated with the development and implementation of the planning and resource allocation processes in the college prior to and during the period when the data was collected.

5.1 Profile of College Y

College Y began the 1990s as a medium size college and expanded to become one of the largest community colleges in Ontario by the end of the decade with an enrolment level of over 10,000 full-time post secondary students in 1998, up from 7,500 in 1993. This increase of more than 37 percent made College Y the fastest growing college in Ontario during that period. At the same time, the number of full-time faculty fell by 11 percent. The college employed about 475 full-time faculty in 1993, but this had declined to 420 in 1997 despite the growth in enrolment. The union representing the faculty filed a grievance against the college in which it charged the college with abuse of part-time and sessional faculty. The grievance settlement called for the hiring of sixty-seven new full-time faculty. In 1998 the first installment of 35 of these were hired and a second installment of 29 were hired in 1999. This was offset, however, by 125 faculty who retired or resigned from full-time positions since 1993. The college supplemented the decreasing number of full-time faculty with the use of sessional faculty who increased by approximately 25 percent to accommodate the rapid growth in enrolment.
In the early part of the 1990s, College Y was faced with some financial instability. Prior to 1993/94, any yearly budget crises were dealt with by across the board budget cuts. In 1993/94, after hiring a new president, the college strove to put its finances in order and was able to eliminate its deficit by the 1996/97 fiscal year. The college did this by increasing revenues and decreasing costs. The college increased its revenues by selling some property, and increasing enrolment levels. The latter policy raised the college’s share of the province’s operating grant from five percent to almost six percent. This percentage difference, though small, is significant, because between 1995-1996 and 1996-1997 only three other colleges saw increases in their share of the operating grant. For all other colleges saw their share of the grant decline. In addition College Y cut its costs by eliminating programs, academic restructuring, and offering early retirement packages to eligible employees. It also increased the number of part-time faculty, froze the hiring of full-time faculty, and stabilized capital spending. While College Y increased its share of the province’s operating grant, its revenues from tuition fees rose from 17 percent of its total revenues to 29 percent. This was used to offset the overall 12 percent decrease in its operating grant.

On the expense side, as with all labour intensive operations such as educational institutions, labour costs absorbed between 65 percent to 71 percent of total operating revenues. Academic salaries ranged between 42 to 45 percent of total operating costs, with full-time academic salaries falling from 37 percent to 35 percent and part-time salaries rising from seven percent to eight percent. As with full-time academic salaries, administration salaries also fell from ten to nine percent.

5.1.1 Organizational structure of College Y
College Y reorganized in 1993 and decreased its vice-presidential positions from six to three positions. These three positions included: vice-president academic, vice-president finance and administration, and vice-president student and college services. The college also eliminated its Planning Office. In 1997 the college continued its reorganization when it decentralized both the Liberal Studies Department and Continuing
Education and these became the responsibility of every department. The Centre for Part-Time Studies continued to provide some part-time courses. College Y offered more than 75 diploma and certificate programs on a full and part-time basis in the Schools of Academic Studies, Business, Communication Arts, Applied Arts and Health Sciences, Engineering Technology and Transportation. Students could prepare for college and university entrance at the college through General Arts and Science, English language training, and Ontario Basic Skills programs. The college operated on four main campuses, as well as smaller satellite locations. The goal of this college as outlined in its documents was “to deliver learning and teaching of uncompromising quality.” Its mission was “to educate students for career success.”

5.1.2 Historical context of planning and budgeting in College Y

In College Y planning and budgeting were not linked as an integrated process. This college had been involved in strategic planning since the 1980s. This type of planning was abandoned in 1992 when a new president took over. The Planning Office was disbanded, and in 1994 the college published what was referred to as a business plan. This plan had been initiated by the president with input from various stakeholders. The plan provided a set of “Guiding Principles” by which the college was supposed to operate. The principles incorporated values such as accountability, collaboration and consultation in decision making, and continuous evaluation of the college’s work. The goals of the plan were to achieve financial stability and accountability with balanced budgets, to maintain employment stability and training and retraining of employees. Learning and teaching were cited as the college’s core activities which would be supported by all of the college’s available resources. The plan cited the following strategic directions as imperative for the college to achieve its mission: (1) the reaffirmation that learning and teaching were its core activities; (2) to expand enrolment and access; (3) to integrate and improve services to all students; (4) to support, maintain and enhance a comprehensive learning environment for students and staff; (5) to initiate partnerships with business, labour, all levels of educational institutions, neighbours and
the public sector; and (6) to develop and build on a culture of open communication, cooperation and equity.

Data suggested that there was always some form of academic planning going on in College Y. However, respondents all pointed out that planning was not directly integrated into the budgeting process. In 1996-1997 College Y developed a new planning document called the “Academic Framework.” This document was also referred to as a strategic plan. According to college documents this framework was developed after extensive internal and external consultation, and formed “a statement of the direction for the institution.” Documents stated that the framework was designed to articulate the college’s academic principles and to govern its academic decision-making; and also that it was to be applied to all of College Y’s learners and employees and was to encompass all its activities. The academic framework was divided into three components which listed the college’s values, principles, and key directions. These areas built on those outlined in what was previously called the business plan. The key direction was that the college “focus every decision to support the career and personal development of (its) learners.” The values included the desire to develop curriculum, teaching and services to reflect the college’s diverse student body; to be accountable to various stakeholders; and to promote effective learning. As with the business plan the academic framework cited a list of principles to which the college was committed. These included access and high standards, the pursuit of excellence, responsiveness to changes in the market place and to innovation, career success and development, flexibility of programs, the pursuit of partnerships with various external stakeholders, and the promotion of continuous learning of employees. Implementation of the academic framework was evaluated in the fall of 1997 by the college. This examination included: (1) examination of the types of activities which were currently being undertaken in the college and which were consistent with the academic framework, (2) determination of any barriers to the achievement of the key directions of the framework and (3) specifying new initiatives that were implemented and that were consistent with the key directions of the framework.
Ideas for new programs could come from various levels in the organization. In the conceptual phase, faculty and academic managers and/or ad hoc program advisory committees could initiate proposals which would go to the deans, and then to the vice-president (academic) who would give approval in principle. After the program was developed it would go back to the dean and vice-president (academic) and then to College Council. From here the program would go to the president and the Board of Governors and then to the Ministry for final approval. Respondents said that they believed that chairs and faculty helped to design department plans; but there is no clear indication of who took part in this process. Data indicated that department plans were supposed to feed into the academic framework. However, data did not reveal any evidence to show that there was any process in place to monitor or evaluate department plans.

The college used a program rationalization model to help determine whether it should discontinue or continue programs. College documents stated that the purpose of program rationalization was to help make “decisions to determine whether a program should continue to operate as is; or should be continued, but with modifications; or should be phased out.” This model linked student enrolment demand, employer demand, the financial viability of the program, program quality, and community need for a program. The vice-president (academic) and the deans would make recommendations based on a review of the programs using the rationalization model. The president would then consider these recommendations and make further recommendations to the Board of Governors who held “the ultimate responsibility to determine the college’s program mix.”

During the period from 1993 to 1998 the college had used a variety of ways to allocate its resources. The methods used included: historical patterns with incremental budgeting, formulae budgeting, zero-based budgeting and negotiation. Data from college documents and interviews showed what seemed to be at least three phases in the various methods used to allocate resources in the college from 1993 to 1998. Analysis of data from college documents indicated that there was a basic method which had been modified on various occasions to arrive at the process in use in 1978-1998.
Prior to and including 1993-1994 the budget allocation process was based on historical patterns. College documents stated that: “for the past several year, the college has allocated its budget based on historical budget allocation patterns, and adjustments to meet particular divisional or departmental needs.” That year the college begun to develop a statistical budget allocation model. This model used two types of formulae to allocate resource. One formula allocated resources between the academic and the non-academic areas. The other formula allocated resources among departments and schools. Phase one of the model was completed in 1993-1994, and allocated the total operating budgetary funds using a split of approximately 70 percent for academic and 30 percent for non-academic functions. This split was developed based on historical trends both province-wide and at the college level. However, according to one senior administrator:

For several years here we would negotiate that (the split) each year amongst the vice-presidents. I think that the last year we did that we were about 71.5 percent at this particular college to the academic sector and the rest to academic support, so that actually those negotiations largely determined the overall share of resources in this college.

Before the 70/30 split, the model also reserved funds “off the top” to pay for initiatives such as leaves of absence and professional development. Again, this was based on historical practices.

Phase two of the model, to further allocate the academic portion on a program by program basis using formula funding, was partially completed and implemented in the 1994-1995 budget year process. The formula that the college used factored in planned enrolment activity and program weight factors. Previously, the Ministry had assigned these weights for the programs in the college system. They were designed to recognize the relative differences in delivery costs of various programs. The major difference in the new approach was to allocate current revenues on the basis of planned enrolment activity for the current year, instead of using enrolment activity that had occurred two or three or four years previously. There was also a Budget Committee made up of faculty, support staff, administrators and a student representative. The role of the committee
according to college documents was to make recommendations on the budget process and strategies.

A senior administrator explained that the budget allocation process implemented in 1993-1994 was modified in 1996-1997. The 70/30 formula to allocate resources between the academic and non-academic areas was no longer used. Instead the college used incremental budgeting, but continued to use the formula which allocated funds among schools and departments. A senior administrator involved in the decision-making process described it this way:

We have in the last five years, we have different processes in fact at least three different processes, so I will describe the most current practice. The current practice is really looking at changes from the previous year’s budget; looking at new expenditures pressures and also new revenue or potentially reduced revenue. So we have not gone back to a zero based budgeting approach. We have really looked at new cost pressures and the offsetting revenue to see how close a balance there is, and if there isn’t a balance to see how we can increase revenues to meet a balanced budget or adjust some of our plans to bring costs down. Once the macro decisions are made by the College Executive Committee and the departments or schools have an allocation, then it’s within the departments to work out the details of their budget and their priorities. We use a budget model based on formula funding which determines the allocations to the schools for the academic activities. Once this is done then the deans and directors will work with their chairs and with their faculty and staff on where their spending priorities should be. When deans receive their budget allocations they will develop plans to fit their budget allocations. These plans are then supposed to feed into the college’s academic framework.

5.2 Linking the research questions to the data

As discussed in Chapter Three on design and methodology, in order to recognize patterns for emerging themes, the central research questions were used to examine data from the interviews and documents. Each of the three research questions was examined individually. This section of the study is a summary of that analysis given in narrative form using selected quotations taken from the data.
5.2.1 Question #1: How did the decision-making processes for determining priorities and allocating resources operate?

In College Y budgeting and planning processes were not directly linked. These were carried out as two separate processes; so they are discussed separately in the following subsections. The first section discusses the decision-making processes for determining priorities. The next section discusses the decision-making processes for allocating resources, and looks at the relationship between priorities and resource allocation in College Y.

5.2.2 Decision-making process for determining priorities

College Y did not have a planning office per se. It was disbanded in 1993. However, data suggested that there was always some form of academic planning taking place. In the latter part of the 1980s this planning was referred to as strategic planning. In the early 1990s, there was a business plan. This was followed by the academic framework in the latter part of the 1990s. According to college documents the first strategic plan (1989-1992) was developed through committee meetings and invitations for various stakeholders to provide input. However, data indicated that stakeholders believed that the plan was a top down instrument which was presented to the college community, and which did not in any way influence the short or long term operations of internal stakeholders. The problem according to one respondent was that:

Input is sometimes solicited, but we are too busy struggling to survive with the large class sizes and all the problems associated with having to teach students with varying degrees of preparedness and from a multiplicity of cultural backgrounds; that we don't often have the time to respond to all the other various initiatives and things that need to be done.

It is rumoured that when the previous president came to the college and wanted to know about strategic planning it was discovered that there were five strategic planners in the college and none of the five planners knew of the existence of the others. So the president concluded that planning wasn’t taking place and that they weren’t needed.
The preceding comments also suggest that there was no coherent planning going on in the college and that planning was fragmented. Departments did not seem to know what other departments were doing. This suggested poor communication, lack of interest and some cynicism on the part of some stakeholders. Another respondent was unaware of the contents of both the strategic and the business plan, so could not comment on either. This also suggested that respondents believed that these plans did not influence their day-to-day operations.

The business plan issued in College Y in 1994 was developed on the initiative of the president. The president developed this plan after discussions with members of the college community. In a report to the college community outlining the plan, the president stated:

You have shared yourselves very generously with me. You have told me your concerns, your hopes, your plans, your ideas and your dreams. I have listened and observed and reflected, and now want to share with you my responses.

The report then went on to address the areas that the president considered to be important to the success of the college. This statement also suggests that the president was trying to cultivate a climate of openness with a willingness to listen to the members of the college community, a climate necessary to achieve the changes that the president felt were necessary for the college to be successful.

The academic framework was the planning document in use from 1996. Respondents would sometimes refer to this plan as a strategic plan. Respondents were all familiar with this document and with its contents. This document had broader input from internal stakeholders than had previous planning initiatives. The academic framework was developed "to guide future decisions re the mix and complement of academic programs." The academic framework showed that decision-making to determine priorities could flow in both directions; that is, from the top down and from the bottom up. Decisions were made at the executive level and then trickled down through
the deans and directors to the line managers and the faculty. Evidence also suggested that decisions related to curriculum could also flow from the bottom up; and came about from the interaction of various internal and external stakeholders and from different positions of power and influence. Implementation of the academic framework itself was evaluated in 1998.

Ultimately, it is the vice-presidents who might have to make decisions about priorities if there are more new initiatives than can be afforded at a particular time.

It's a combination of bottom up approach in some ways in trying to get faculty to confer with new initiatives in supporting them, which help to drive budget allocations; but I guess at the end it is at the executive level that decisions about priorities have to be made.

Some policies, it seemed, were determined solely by the president, judging from this comment from a senior manager.

The college has grown significantly in the last five years and that really was a decision taken by the last president of the institution and ultimately it is the president who determines the enrolment policy.

The planning process did not require formal planning at the department level. Data suggested that department planning seemed to be ad hoc and fragmented, and that there was no process to evaluate plans and to analyse the impact of one department's plans on another department. There was no clear indication whether there were plans in all departments and who took part in the process of developing such plans. Respondents said that they believed that chairs and faculty helped to design department plans. There was no evidence to show that department plans were evaluated or monitored.

Well, there is the academic framework, but it doesn't help me to make a decision about this program and that program. As soon as word gets out through the executive that we are looking for partnerships in the private sector, then the deans work with chairs, coordinators and faculty to try and see where the opportunities are.

I know that in the school of business they have some kind of plan, and that's fine; but its more than that. How do they decide what is more important? What analysis do they do? For example, in our department the dean asked if we
wanted new furniture because we can get some funding for it. Everyone said 'yes' but where is the priority? Furniture is not that desperate. Where is the plan?

Well, if you look at all the new programs that are coming they seem to be coming from the vice-president, academic management's group. But they would discuss with the deans and directors to develop these new program ideas. But, I don't think that they fit into any coherent whole.

The college used a program rationalization model to help determine whether it should discontinue or continue programs. Program review was defined in college documents as:

A collaborative process which evaluates programs for the purpose of ensuring rational decision-making for academic planning and practices and striving for excellence in education.

The purpose of program rationalization was to help make "decisions to determine whether a program should continue to operate as is; or should be continued, but with modifications; or should be phased out." This model linked student enrolment demand, employer demand, the financial viability of the program, program quality, and community need for a program." The vice-president, academic and the deans made recommendations to the president based on a review of the programs using the rationalization model. The president then considered the recommendations and made further recommendations to the Board of Governors.

5.2.3 The decision-making process for allocating resources

Data suggested that in College Y the resource allocation decision-making process was ad hoc and was constantly being revised. In the five consecutive years under review there were at least three different processes, according to one senior executive. Other respondents believed that this was a reflection of the leadership style of the president. They saw the process as incoherent and believed that this was a result of the president's desire to promote a culture of collegiality, while simultaneously maintaining a tradition of murkiness in relation to the distribution of resources. This failure to adopt clear and transparent, written budgetary polices seemed to be based on the informal leadership
style of the president, and on tradition. Comments below from respondents illustrated this.

Front line managers know very little more than about their little area. They are told you have let’s say $100,000 this year, or you have salaries for so many people plus $10,000 discretionary or something. So it’s not built up through the organization. It’s more power play, I think at the vice presidential level. It’s done behind close doors.

I respect their decisions. I work with them. However, the thing that bothers me is the lack of process. There is nothing, no plan, there is no input from faculty, there is no process in this institution. This lack of process I think comes from the top. I think the previous managers and I don’t know, because I was new here then, operated under secrecy. So they ran, controlled everything, and they didn’t tell anyone what was going on. And I’m not saying the previous president operated out of secrecy. I think that the president took people into consideration, but the president was very informal. That type of person would not put a process in place.

Ad hoc, everything in the college is ad hoc. Just like the structures for academic decision-making, and curriculum decision-making, it’s who ever happens to be in power at the time.

It is an artificial process because there is no clear and lasting definition of what is academic and what is not academic, so there is a shift over those boundaries. In addition there are corporate priorities that are determined by the College Executive Committee again before it comes to the budget group, some are mandated by the collective agreement as profession development leave and some $200,000 may be removed from the operating budget on the academic side to accommodate sick leaves, maternity leaves and overtime. Other activities such as purchase of Information Technology equipment, again that is established by the College Executive before it comes to the Budget Committee with some nominal amounts of money.

The only significant group that has had any influence is the student body in that since the college has tried to get more money out of students in terms of incidental fees, lab fees, information technology fees and so on. The former head of the student association had some amount of power. He is the only student leader that I can recall in recent years that had any kind of impact on the college. I’m not sure that he won, but certainly his position was always taken into account, because the college needed his cooperation to get money.

These comments suggested (1) that there was little dialogue regarding the process within the college community; (2) that decision-making was constrained by the collective agreement; (3) that front-line managers did not have an overview of how their
department policies could affect other areas in the college; and (4) that there was no analysis regarding the outcome of policies in one department on the policies in other departments.

In some schools the chairs did not have budgets. One respondent remarked that: “I know that my chair does not have a budget, because I asked him.” Another respondent also cited that the chair of the unit had told her that he did not have a budget. Yet, it would appear that chairs in other departments had budgets as one respondent reported that: “when the chair of my department does the budget, I guess that it is based on some department plan.”

There was a Budget Review Committee, composed of senior administrators, middle management, faculty and support staff, but it no longer functioned. Respondents gave a variety of reasons why the college had not called the committee to meet. Three of the respondents who had been faculty representatives on the Budget Review Committee, believed that the College Executive saw the Budget Review Committee as wanting to challenge the executive’s authority. Respondents believed that the executive did not want to be accountable to other internal stakeholders. One senior executive felt that the Budget Review Committee was not adding value to the process and was “becoming a forum for political objectives.” A sample of respondents’ comments which follow helped to explain the views of the respondents regarding the role and the reasons for the demise of the Budget Review Committee.

The way that management wanted the Budget Review Committee to work was to be just there, their bottom line was that they just wanted to give lip service to the Budget Review Committee, but the committee wanted to be there during the evaluation stage and that’s when the problem started. I think that’s why the committee got dissolved.

The budget review committee has not been functioning in the past two years because the college has not called the committee to meet. I think the view of the previous administration of this college was that it wasn’t producing value. It was becoming a forum for political objectives, and wasn’t adding a lot of value to the budget process.
We don't know why the committee has not met, but I can only speculate, we think that they got more money than they may have anticipated and that they didn't want the budget committee to see what they were doing with it. We think that they got the money from the increased in enrolment, also we had about twenty to thirty people leave, both administration and faculty and these were not replaced by full time staff, but by cheap part time and partial loads, so I think that we had quite a windfall last year.

The budget review committee was more of an information gathering process than any kind of decision making body. Then we got this accounting teacher on the committee who had experience in the private sector, and wanted the committee to be more like an organization should be. That is, at the front end helping design priorities and then at the back end monitoring and making sure that people are doing what they came and told us that they were going to do; and I think that the college executive went through the roof, no way.

I was on a smaller committee a year and a half ago, and we tried to revise the process. We were at the point of recommending a process to the president and the Board of Governors and that was the last time the committee met. So quite clearly the college does not want to go through that kind of review process. The process is initiated in the back rooms of the College Executive because the college really doesn't want public accountability. It doesn't want public input from internal or external stakeholders into the budget.

We tried to get the budget committee to open the process, and that's why I think they dissolved the committee.

These comments suggested that power and influence played a very important role in the decision-making process to allocate resources. Decision-making regarding priorities tended to be more informal and more decentralized than the process to allocate resources. Data indicated that while faculty and other internal stakeholders were encouraged to take part in the process to determine priorities, there was no mechanism for them to play a direct role in decisions relating to the allocation of resources. So there remained a question about the significance of influence to help decide what priorities should be, without power to influence how or whether resources would be channelled to those priorities. One respondent summed up the process this way:

I think that apart from a few priorities like we are going to do information technology, that priorities don't drive resource allocation. I think it is the other way...
around that resources determine priorities. But I think that resource allocation will ultimately tell you what your priorities are.

Data suggested that College Y used a smorgasbord of methods to allocate resources. These included: high authority, bargaining, custom, some negotiation, formulae and market considerations. Decision-making to allocate resources was highly centralized, and all major decisions were made at the executive level. Judging from the respondents' comments, there is no evidence to indicate that other internal stakeholders were directly involved in making decisions regarding the budget process. It would appear that the student association was consulted, but evidence did not show that students played any significant role. A sample of comments from respondents illustrated that the executive made the resource allocation decisions.

Once the macro decisions are made by the College Executive Committee and the departments or schools have an allocation, then it's within the departments to work out the details of their budget and their priorities.

It is the College Executive Committee, which would be the president and the vice-presidents with support from the Financial Planning Department.

Custom and tradition, market considerations and some negotiation also played a role in the decision-making process. The college used incremental budgeting, and made adjustments from the previous year's budget allocations by looking at new expenditures pressures and also changes in its potential revenues. The college also used a formula which had originated with the Ministry to allocate resources to the various departments for academic activities. A senior executive involved in the decision-making process explained that negotiations also played a role in budget allocations:

For several years here we would negotiate that each year amongst the vice presidents. I think the last year we did that, we were about 71.5% at this particular college to the academic sector and the rest to academic support. So that actually that negotiations largely determined the overall share of resources in this college.

Respondents pointed out that academic planning was not directly integrated into the budgeting process. For the most part they agreed that resources were allocated with
some broad based objectives in mind; but that priorities were determined on the basis of resources received. However, curriculum development documents stated that: "The design of our curriculum takes into account the present and potential availability of resources." Also, in a report to the college community, the president, in outlining the values and directions for the college, stated that: "we need a clear, effective budget process that focuses decision-makers on college priorities."

The following sample of comments from respondents showed that respondents did not believe that budgeting and planning were directly linked to each other.

Decisions relating to priorities happen throughout the organization and I think that every body who has budget control for their department has had to make decisions regarding priorities. But the major priorities at the college wide level in terms of bigger allocation decisions, how much money should go into information technology, how much money should go into physical resources, and into the academic sector those decisions are made at the executive level. I think the other level is then between the vice presidents and the direct reports in making joint decisions about priorities in each division.

When deans receive their budget allocations they will develop plans to fit their budget allocations. These plans are then supposed to feed into the college’s academic framework.

We have at this college instituted a pot of money to incite faculty to think of delivering curriculum in different ways, to develop new programs, that is really a seed which then later will germinate into program ideas which potentially have funding implications.

Priorities do determine allocation resources. During the most difficult time of the constraints when the government imposed a fifteen percent funding cut, this college did everything it could to avoid layoffs; and that was a conscious strategy because we believed that in the long run the college would be better off because of issues of trust that one did not want to erode, as it affects program quality. In this case that very much did determine budget allocations because we did not make the investments in other areas such as information technology or physical resources that we might have liked to do.

Priorities are determined in the backroom. It’s all done at the executive level. So even when the budget review committee met we never saw any planning that would leave us to believe that these are good or bad positions.

I don’t think that they follow normal business practices but there’s probably a number of overriding principles that govern how the money is allocated.
Fortunately, this college has taken the position that they want to maintain employment stability so much of budget planning is done around that issue to keep existing staff.

One year ago the budget was being held back waiting on the vice president's academic plan in terms of this two year study of where we were going and how we were to get there. At some point they decided that it was not worth while waiting any longer for the plan so they just continued doing the budgeting.

Our recording of where our money goes is good. But the conceptual overview of deciding whether that's good or bad or right or wrong whatever, doesn't happen.

Another example, the college has stated in its academic plan that it is going to close a campus that holds about 25 percent of the student population. But there is absolutely no budget planning support for it, so the two are just totally different.

The preceding sample of comments from respondents about decision-making in relation to priorities suggested that in some instances, administrators sought advice from various members of the college community. They consulted the Student Association when its input was necessary for the success of some particular objective. Data suggested that respondents saw the Budget Review Committee as a mechanism which the decision-makers used to give the perception that there was input from other internal stakeholders in decision-making related to resource allocation. This perception along with poor communication between administrators and other internal stakeholders had created some degree of cynicism. The data also suggested that decisions were made by senior administrators, who focused on institutional goals such as employment stability, growth and efficiency. Also, it would seem that administrators did not solve problems in an integrated fashion, and did not evaluate the effects of solutions in one area on other areas.

5.3 Question #2: Why were these particular processes chosen to allocate resources and to determine priorities in the college?

Data suggested that respondents felt that the procedures used in this college were chosen because of the leadership style of the president. Respondents believed that the president viewed leadership as a form of social association built on relationships,
which did not lend itself to instituting formal processes. They referred to this leadership style as one of consensus building with the desire to build some sort of "collegial" environment to replace the previous administration which they characterized as acrimonious and secretive. However, respondents' comments suggested that there was still some mistrust and cynicism.

The past president was very informal from what I could see and was not the type of person that would put a process in place, nor the type of person that would necessarily delegate someone else to put in the process. And I did speak with the Vice President, Finance and the Vice President agreed with me, but could not go against the president.

I think that they are trying to keep people happy. That was the previous president's idea of a collegial institution, that we didn't loose sight of the collegial environment.

The past president was someone who ran the college on the basis of relationships as opposed to any kind of structure, so planning wouldn't support her style.

When I was on the budget review committee, one year I asked the president why there was no long range planning, and the president replied that we like to be fluid. From my own thinking that's why we are in the trouble that we are in now, look at the IT problems, look at the registration problems, because the past president was a wonderful person, but didn't have a written plan, things are not following any direction.

Other respondents believed that the decision-making processes were based on a tradition of power and influence. The following comments suggested that even with a new administration, it was difficult to change the college's culture.

The actual process is somewhat of a mystery to me, but I can tell you that from what I see from my level in the organization, because a lot of this is done in secret and a lot of it I think doesn't have to do with process, but have to do with power and influence.

The college administration really does not want to engage in discussion because they are the authority essentially.

Because there was nothing before this crop of vice presidents who will soon be all gone came. In the old days there was absolutely nothing. Just who could
These comments supported the view that the college culture was somewhat acrimonious. This was supported by another respondent who explained that the decision making process and the techniques used to allocate resources were chosen to help eliminate conflict and to reduce favouritism. This is described in the comments below.

The approach before my time there was a zero based approach where everyone every year had to defend every penny and for what it is worth from my perspective on that is that it focussed on too low level issues. It didn’t really focus on where the college wanted to head, and was very acrimonious.

With a formula like this it illuminates or minimizes favouritism, basically favouritism between schools and vice presidents or even vice presidential biases in terms of certain disciplines or having favourites and the advantage of the formula is that it is relatively bias free. It doesn’t totally determine the allocations because there are other factors one has to be concerned about such as employment stability in the schools.

Comments from the same respondent suggested that policies and initiatives from the Ministry played a role in influencing the decision-making process. This is illustrated in the comments below, which also showed that cost played a role in determining the particular technique used to allocate the resources among programs.

The MET has broad guidelines which we have to follow on tuition fees; but they don’t really direct how we should spend our money. However, with the recent introduction of key performance indicators which will affect up to 6% of the college’s operating grant, in the future, will begin to influence college decisions because our performance will be tied to funding.

We use a formula because it recognizes differences in delivery costs because they are very real and that’s how we are funded by the MET.

5.4 Question #3: How were teaching and learning considered in the decision-making process for allocating resources?

The following questions, based on the theoretical concerns in this inquiry, were used to discuss the considerations given to teaching and learning during the decision
making processes. (1) What attempts were made to incorporate concepts of program quality into resource allocation and budgeting techniques? (2) How were teaching and learning discussed in relation to resource allocation and priority determination? (3) Which schools or areas benefited from resource allocation decisions, that is, were there any significant shifts in the types of programs offered?

5.4.1 Program quality and resource allocation techniques

Data showed that among College Y’s goals was a commitment to “high standards” and the pursuit of “academic excellence.” In its academic framework the college listed a set of key directions to be followed to achieve its goals. These included the need to establish meaningful ways to measure quality as stated in college documents: “We are witnessing increased demands for standards and accountability in public education throughout North America.” The document went on to state that the college believed that there was a need to ensure quality through continuous evaluation, improvement and accountability. In other documents College Y frequently referred to “high quality education.” Documents listed several characteristics which encompassed a “quality education.” These included: an education leading to employment, work related, hands-on and practical programs with a choice of relevant and current courses, links with industry to meet required high standards, superior resources, excellent supportive teachers, efficient administrative systems, and effective infrastructure. Documents stated that: “to ensure quality, we conduct regular program reviews.” These documents also explained that program quality would be evaluated through program advisory committees who would be responsible for: evaluation and review of program objectives and goals, learning outcomes, course content, curriculum design, equipment and resources and facilities. The quality indicators would be: program relevance and currency, program reputation, retention, employer, graduate and student satisfaction and placement rates. Program review would follow a five year cycle and would incorporate both qualitative and quantitative data. This involved the development and publication of performance expectations for all employees and standards for teaching.
The college introduced what it referred to as four by four teaching modules during the May to June period to “more fully utilize the 36 weeks of teaching provided for in the collective agreement.” This involved 48 hours of instruction over a four week period for students who had failed a course during the previous year. One respondent complained that this took away the time that instructors had previously used for professional development and renewal and consequently affected program quality. The respondent stated that:

That May-June period that we used for professional development and renewal, now we have to do the four by fours, so it is things like that which affect program quality.

Two other respondents made references to quality of education. In each case the references supported each other in regards to the driving force behind resource allocation decisions. Yet they saw the same decision as having differing outcomes and effects on the quality of education. As shown in the quotation below, the administrator thought that maintaining employment stability of the current staff would boost morale and hence program quality.

This college did everything it could to avoid layoffs and that was a conscious strategy because we believe that in the long run the college would be better off if we could avoid a round of faculty and staff layoffs; because of the issues of trust that one did not want to erode as it affects program quality. So in that case that very much determined the budget for some period of time.

The faculty member felt that the excessive use of part-time staff which resulted from the same decision would lower program quality.

Fortunately, this college has taken the position that they want to maintain employment stability, so much of budget planning is done around that issue to keep existing staff. We don't hire new staff. They can bring in non-full-time staff and then we wouldn't have to lay them off in the future. That seems to be more a driving force as opposed to curriculum to ensure quality, as opposed to strategic initiatives.

An evaluation of the implementation of the academic framework done by the college cited among other things that “insufficient hiring of full time faculty had led to a
lack of program quality and consistency of delivery.” This was given as one of the barriers that hindered the key directions of the academic framework. These respondents saw quality as ‘excellence’ or exceptional performance measured against some implicit standard such as student achievement in being able to find employment. Also ‘quality’ was used to define the characteristics of a process which involved gaining feedback to assure educational ‘fitness for use’.

College Y used rationalization of programs to “achieve efficiencies while maintaining high quality and accessibility.” Documents discussed the need to “manage better with less.” Document also stated that the strategy the college should choose to achieve this would be through a combination of greater productivity from administration, faculty and support staff with decreased administrative and service costs, and more streamlined operations. Programs would have to achieve efficiency by generating revenue to cover their total costs.

The revenue that a program attributes is tied to the MET funding weight, and at this college we have this program rationalization process which compares program revenue and program costs for every program with the explicit message that programs need to operate within 100% of the revenue they attract so we calculate the revenue per program based on the funding weights and the actual enrollment for the most current year.

In the literature on higher education, efficiency is closely associated with accountability. Accountability is defined by Hüfner (1991) as the responsibility to demonstrate the achievement of certain ends by employing the most efficient means. In College Y there were frequent references to accountability both in the interview data and documents. The president, according to a memo to the college community, saw accountability as a major issue. “We need to define it, and measure it,” the memo concluded. However, there are no data to suggest that accountability was ever defined or measured. The academic framework states that:

We are accountable to our learners, our community and to the general public for the quality of the learning experiences we provide, for the resources we use and
for the manner in which we treat all people. We evaluate all of our work as part of the work itself.

Some respondents believed that the college was not interested in "being accountable." Three different respondents felt that what was written as policy was not often the practice, because there was no process for evaluation of schools, and management wanted it that way.

We say we do that because we have the academic framework and then each school is supposed to produce something that feeds into the academic framework; but I think that's an exercise, and then they go ahead and do what ever else they say they are going to do irrespective of what they have written down; because there is no accounting for that. We've got no accountability, no body is going to come and say whether you've done this or not.

No one on the budget review committee could look at what happened last year, no one is accountable. No one has to explain why we were wrong. And all the budget review committee wanted to do was to put a process in place so that people are accountable and therefore ought to explain what they do.

The process was initiated in the back rooms of President's Management Group because the college really doesn't want public accountability. It doesn't want public input into the budget. By public I mean internal and external stakeholders. I don't mean that they would have to listen to the budget review committee but certainly public scrutiny, probably some change in behaviour at least calls for accountability and management has nothing in place to do it.

Respondents' concept of accountability matched Hüfner's (1991) concept of administrative accountability, which includes fiscal accountability. As previously stated this has to do with efficiency and effectiveness, with performance assessment, and with truthfulness concerning information about activities designed to reach specific targets.

5.4.2 Discussion of teaching and learning in relation to resource allocation

College documents and respondents made several references to learning and teaching. In this college data did not suggest that there were any attempts made to decouple these two concepts. A presidential memo stated: "We support the professional development and renewal needs of our employees, recognizing their central place in realizing our mission." To support this the college allocated resources to an Academic Renewal fund under the auspices of the vice-president, academic to be used for academic initiatives. Data suggested that this college was making every effort in its
documents to reinforce the philosophy that teaching and learning were intricately connected. However, there is some recognition by decision-makers in College Y, of the shift by other college administrators to embrace what has been referred to as the new learning paradigm. (Barr, 1995; and Boggs, 1996). Boggs (1995) states that when learning was used in mission statements it was almost always bundled with the phrase “teaching and learning” as if to say that while learning may indeed have something to do with community colleges, it was only present as an aspect of teaching. He argues that the colleges should be redefined as learning rather than as teaching institutions. College Y, while it continued to support the belief that teaching and learning is a multifarious, integrated process, but it would seemed that the college has somewhat accepted the view that teaching is an aspect of learning. As stated earlier, earlier college documents referred to “teaching and learning”, more recent documents reversed the phrase and referred to “learning and teaching.” This is shown from comments such as “Learning and teaching are our core activities. Every action and every dollar spent must reflect and support this value.” “Our goal is to deliver learning and teaching of uncompromising quality.” It should be noted however, that a new newsletter for faculty and academic managers started in 1998 was named Teaching and Learning at College Y.

There were references to “delivery methods” but these methods were seen to operate in conjunction with learning and teaching. Technology was seen as a tool to complement and enhance learning, teaching and other services offered by the college. “We optimize the use of technology whenever it enhances learning and teaching and improves the quality of our service and business processes.” There were few references made to students as customers. One major strategy was to establish mechanisms to develop a corporate culture promoting customer service.

5.4.3 Reallocation of resources among departments

In College Y’s there was some reallocation of resources after the 1995 decrease in government funding. This coincided with restructuring of schools and departments and the elimination of some programs. There were some shifts in resources allocated as a
result of these changes to the various schools and departments as shown in Table 5.1. The Schools of Applied Arts and Health Sciences were merged. The combined School of Applied Arts and Health Sciences lost about two percent of the total funds allocated to various academic schools and departments for post-secondary activity between 1994-1995 and 1998-1999. Transportation and Engineering Technology were also merged into the School of Technology, and also lost about two percent of its funding. Resources allocated to the School of Business rose six percent to 22 percent. This was partially because some general education courses were decentralized to the School of Business.

The School of Communications and General Studies was divided into the School of Academic Studies and the School of Communications and Development. (The latter was later changed to the School of Communication Arts). The School of Academic Studies was further divided when Liberal Studies was decentralized among the various schools. The School of Academic Studies percentage share of resources fell from 21 percent to 12 percent. The new school of Communication Arts received four percent of these resources. This did not include other “off the top” funds allocated to technology.

Respondents believed that resources were being channelled into technology programs at the expense of other areas in the college without any debate as to the feasibility of this use of funds. Respondents remarked that:

There is no debate as to whether we should be financing the centre for creative communication through the operating funds from the rest of the college.

I don't think that they should be taking “off the top” revenues from other departments which bring in more students and giving it to Communication Arts which bring in a much smaller number of students. They are actually taking funds from Accounting and other areas in the college and giving to a much smaller percentage of students. This is not fair.

I know that they are giving more funding for the hi-tech programs like our computer programs and I think engineering. Also as a result, if you look at our enrolment statistics in the technology areas has gone up something like 40 percent, whereas for example accounting went down 25 percent, and this is the result of the effort to cram people into the technology areas because the Ministry is providing additional funding.
### Table 5.1
Faculties and Schools/Departments: College Y
---|---
**School of Business** | **School of Business**
**Departments**
- Management Studies
- Accounting and Financial Services
- Office Administration
- Information Systems
  | **Departments**
  - Management Studies
  - Accounting and Financial Services
  - Office Administration
  - Information Systems
**School of Applied Arts** | **School of Applied Arts & Health Sciences**
**Department**
- Community Services
- Consumer Services
  | **Department**
  - Community Health & Wellness
  - Hospitality & Tourism
  - Nursing
  - Other Applied Arts Programs
**School of Communications & General Studies** | **School of Academic Studies**
**Departments**
- English
- Liberal Studies
- General Studies
- Communication Arts
  | **Departments**
  - English
  - Decentralized
  - General Studies
  - Moved to School of Communications & Development
**School of Health Sciences** | **School of Health Sciences (eliminated)**
**Departments**
- Nursing
- Ambulance & Emergency Care
  | **Departments**
  - Moved to School of Applied Arts & Health Sciences
  - Moved to School of Applied Arts & Health Sciences
**School of Engineering Technology** | **School of Engineering Technology & Transportation**
**Departments**
- Architecture
- Civil Engineering
- Mechanical
- Environmental
- Robotics
  | **Departments**
  - Eliminated
  - Eliminated
  - Mechanical
  - Environmental
  - Robotics
**School of Transportation** | **School of Engineering Technology & Transportation**
**Departments**
  | **Departments**
  - Moved to School of Technology & Transportation
**Skills Division** | **School of Communications & Development**
  | **School of Access & Lifelong Learning**
Budget documents revealed that in the 1994-1995 budget allocations $2.3 million of revenues were taken “off the top” for capital and systems development, new academic initiatives and professional development. In 1994-95 the academic sector received $47 million and from this $33.6 million or 70.75 percent of the college’s projected revenue (operating grants and tuition fees) was allocated to support post-secondary activity. In 1996-97 the college received three million dollars less in funding from the provincial government as a result of the cut in the operating grant. The college also received two million dollars less as a result of budget constraints associated with apprenticeship, government sponsored programs and federally funded training activities. The “off the top” revenues were reduced from $4.0 million to $3.1 million. These revenues were used to support information technology, capital improvements, professional development, maternity/sick leave replacements and institutional advancements. College documents explained this reduction as a result of the decrease in government funding. The academic sector’s share of resources was increased from 70.75 percent to 71.1 percent to offset the impact of the reduction in funding. Documents stated that this was done to reflect “the college’s belief that learning and teaching are its core values.” The academic sector received $32.6 million for post-secondary activity or a $1.9 million dollar reduction from the 1995-1996 allocation. College documents also stated that in order to determine the allocation for each school, consideration was given to both the 1995-1996 funding base for each school and the school’s allocations provided by the budget allocation model. The model allocated resources to schools based upon planned enrolment and program weight factors.

5.5 Summary

In College Y, planning and budgeting processes were in a constant state of flux during the period under review. Data showed that there was always some kind of planning going on, and that various budget models were used to allocate resources during the five year period. It should be noted that during this period the college had two different vice-presidents of finance and that at the time when the interviews were done there was no vice-president, finance and administration.
The decision-making process to allocate resources in College Y operated through high authority which was based on entrenched tradition and custom that was difficult to change, although data suggested that the president wanted to promote a culture of collegiality and consensus building. Data suggested that College Y did not adopt clear, written budgetary policies which would instruct new administration and new board chairs as to the process of budget development and budget issues. This practice seemed to be based on informal arrangements and imperfectly transmitted understandings of past customs. Such a system functions adequately only when there is no significant level of controversy such as scarce resources, and where there are no great differences among political interests within the institution. The absence of transparency, no formal process and no clear written rules, and an apparent lack of accountability helped to promote some cynicism and lack of trust among some stakeholders in College Y. Consequently, the president's desire to foster a culture of collegiality was somewhat thwarted. Also, departments seemed to operate without knowledge of how their policies would impinge on other departments. This seemed to fit Cohen, March and Olsen (1992) model of organized anarchy. The variety of budget techniques used, and the frequent changes suggested that the organization was under considerable stress and changing with no clear sense of direction.

The college made attempts to involve all stakeholders such as faculty in the decision-making processes, but data suggested that when these stakeholders sought to influence the process specifically as it related to resource allocation decisions their efforts were stymied. This reinforced the belief that the senior managers controlled the flow of information, especially in relation to resource allocation, and this helped to contribute to conflict. These are features pointed out by Baldridge (1971) in his political model of decision-making processes in institutions of higher learning.
CHAPTER SIX

CASE STUDY REPORT OF COLLEGE Z

6.0 Introduction

This chapter presents the case study report of College Z. The chapter uses the same format as was used in Chapters Four and Five. The chapter is divided into two main sections. The first part of the chapter presents historical information about the college. This includes demographic and financial data pertaining to the research questions and information about the organizational structure of the college. This background information was derived from archival records, documents and interview data. Next, the chapter provides, in narrative form, a chronological account of the main events associated with the development and implementation of the planning and resource allocation processes in the college prior to and during the period when the data were collected.

6.1 Profile of College Z

College Z was one of Ontario's and Canada's largest community colleges. Enrolment levels were approximately 11,000 full time and 55,000 part-time students annually from 1993 to 1999. In 1993 the college employed about 575 full-time faculty, this decreased by more than twenty percent by 1999 to about 450. The number of hours taught by sessional faculty fell by 30 percent from 1,700 to 1,200. Total part-time faculty hired increased ten percent from 500 to 550.

College Z operated with a surplus during the period under review and was financially stable. Its share of the province's operating grant was approximately seven percent annually. However, this represented a declining percentage of the grant, falling from about 7.5 percent to about 7.1 percent as a result of the decrease in its enrolment levels. Overall, there was a 20 percent decrease in its funding from the province, as its share of the grant fell from $60,000,000 in 1993/94 to $49,000,000 in 1997/98. College Z's total revenue fell by 18 percent during this period. Simultaneously, its revenue
from tuition fees rose by ten percent. Tuition rose from 18 percent to become 25 percent of its operating revenue, and the operating grant fell from 51 percent to 49 percent of operating revenues. Ancillary income from activities such as student activities, residences, parking and food services fell from 13 percent to ten percent of total operating revenue. The remaining sources of revenue were a combination of contract educational services, and federal and provincial training and capital grants.

As with most education facilities, the largest percentage of operating revenues was allocated to salaries and benefits. This fell from 68 percent of the total operating revenues in 1993/1994 to 60 percent in 1997/1998. Full-time and part-time academic salaries and benefits fell from 43 percent to 35 percent of operating revenues. Administrative salaries and benefits fell by one percent to eight percent of the total, and revenues allocated to support staff salaries and benefits fell by two percent to 14 percent. There was a significant shift in revenues allocated to non-labour operating and capital costs, which rose from 18 percent of total operating revenues to 39 percent.

6.1.1 Organizational structure of College Z

In the 1998/1999 period the college offered 135 full-time diploma and certificate programs at the post-secondary and post-diploma levels as well as more than 1,000 courses through Continuing Education. These programs were offered at two main campus locations in ten major academic schools of: Built Environment; Business; Health Sciences; Hospitality, Recreation and Tourism; Information Technology; Liberal Arts and Sciences; Manufacturing Technology and Design; Media Studies; School of Social and Community Services; and Performing Arts. This college also offered specialized education in such areas as: comedy, transportation, sailing, and corporate training. The goals of the college as outlined in its mission statement were stated as: "we strive for an open, respectful and welcoming educational environment which is responsive to the needs of our students, staff, community and nation." The college listed its values as: quality and excellence, customer service, respect for people, student and staff development, participatory decision-making and innovation and risk-taking. Documents
stated that the college "aimed for high standards of teaching and learning," and was committed to anticipating the changes in the society and responding to those changes in practical but innovative ways. College Z’s priorities were curriculum delivery, quality and performance accountability, college marketing, diversified revenue, and performance management and training.

6.1.2 Historical context of planning and budgeting in College Z

College Z had always been involved in planning according to respondents who had been with the college for more than fifteen years. They pointed out that the planning model, which the college used, was basically the same that had been in existence for many years. However, they noted that the model was constantly being modified and could therefore be seen as a system which was continually evolving. Approximately some time after the 1975 provincial government’s budget cuts the vice-presidents, facilitated by external consultants, had decided to set up a committee called College Z Core Team to examine where the college should be in five years time. This Core Team played a major role in short term to medium range planning in the college. Figure 6.1 below shows the various committees which were involved in resource allocation and priority decision making in the college during that period.

Figure 6.1 shows that the ultimate authority for decision-making rested with the Board of Governors and the President’s Executive. The latter included: the president, the head of Human Resources, the three vice-presidents (Academic, Economic Development and Marketing, and Administration and Finance), the Dean of Planning, and four academic heads which included the Dean of the Business School, the Dean of Liberal Arts and Sciences, the Dean of Health Sciences and the principal of the satellite campus. A senior administrator noted that the Academic Council could influence decision-making: because of size of the council (over fifty) and the detail of the number of the things we are talking about, they will get comprehensive planning documents such as the full academic plan; but they are really involved in either supporting or rejecting aspects of the plan rather than being engaged in a priority setting exercise. So they have the information, they have the opportunity to recommend to the president, but they are involved at the end of the process.
Figure 6.1

Decision-Making Committees: College Z

Board of Governors

President's Executive

Core Team

Academic Council

Vice-Presidents
Information Technology
Academic Operations
Administration
Business Development
Capital and Renovations
Budget Projects

Schools and departments prepare plans and set priorities within college goals, priorities and projects.
The Core Team Committee was chaired by a faculty member and consisted mainly of faculty and one administrator. The committee was mandated to establish medium term goals to the year 2003 for the college. Consequently, the committee established goals of (1) life long learning, (2) diversified revenue sources, (3) empowerment or enabling of employees, and (4) market responsiveness as four goals which the college should be pursuing. The Core Team was established to make fundamental changes which were referred to as ‘transformational.’ One respondent, who was a member of the Core Team, noted that: “the ‘transformational’ project tries to predict changes over the next few years so that the college would be able to adapt to changes over the next few years.”

In addition to an operating committee made up of the three vice-presidents, there were six other operating committees with varying degrees of influence involved in decision-making. The Information Technology Committee was chaired either by the president or the Dean of Planning and played a major role in determining priorities relating to information technology. This committee was referred to as a “clearing house to access the information technology requirements for all college requests.” One respondent noted that this committee was drawn together because:

of the perceived need to get a consensus in order to align our infrastructure and our information technology infrastructure. It was broadened quite a bit because it was quickly discovered that information technology is central to so much that we do. That there are many ramifications to getting an information technology infrastructure in place.

The Academic Operations Committee, which was chaired by the Vice-President, Academic was responsible for setting academic priorities. The Capital and Renovations Committee, chaired by the Dean of Planning, was responsible for capital priority setting. Ten members of the Academic Operations Committee also sat on the Capital and Renovations Committee. This committee was considered to be one of the more democratic committees according to one faculty member who noted that:

The Capital Committee is probably the largest college committee that looks at how to invest the capital for the year. Typically it is about 1 percent of the annual budget. It enlists representation from the college faculty, administrations, and I believe that there are even a few support staff on there as well.
The Administration Committee, also referred to as the President's Planning Committee, was chaired by the Vice-President, Finance and Administration, and was responsible for determining priorities related to the administrative framework which supported the academic direction of the college. This committee was made up of managers of the various non-academic departments in the college. The Business Development Committee was chaired by the Vice-President, Business Development and Marketing and was responsible for marketing and business development initiatives. Finally, the Vice-President, Finance and Administration and the comptroller were responsible for the budgeting process.

One respondent noted that of these committees the President’s Executive Committee, the Academic Operating Committee and the Administrative Committee were the major forces in objective setting. He stated that:

Another way of saying that, is that the Academic Operating Committee is mostly concerned with operational matters. The Administration Committee tries to elevate the operational concerns into policy decisions and that’s where priorities would be generated. And the President’s Executive Committee is where they would make the decision as to what priorities could be.

Under these decision-making committees the schools and the departments prepared their strategic plans and set their own specific priorities within the framework of the college’s goals, priorities and projects as noted by one of the respondents:

The operational plans are made at the department or divisional level and they are built on the strategic plan and then they are tied to the budget.

The goals, as previously mentioned, were established by the college’s Core Team, and formed the “corner stone of the college’s strategic framework” according to a respondent. The priorities were established through the President’s Executive and the other operating committees. The college priorities were given as curriculum and delivery, quality and performance, accountability, college marketing, diversified revenue and performance management and training. All college objectives and strategic plans had to be linked to the college priorities. Also these plans were developed within a strategic framework which included the college’s vision, values and mission. Ideas for new programs came from the
Business Development Committee, and from the schools and departments as part of their strategic plans. However, ideas could also come from the other operational committees. Strategic plans were designed to cover a two-year period. They were revised every year after an assessment was made of what was accomplished in the first year. “Those things that we didn’t accomplish are put right on the front of the list for year two, so that the plans are pushed out an additional year every year.” A senior administrator stated that:

One of the things we found in the past was that we are great on developing strategies, we were great on developing plans but we weren't so great on narrowing it down and focusing on some priorities. So we attempted to focus on the priorities, so we asked everybody when they did their plans to relate those strategic plans back to those priorities.

Each unit was asked to provide information for the plan as illustrated in Table 6.1. This information included the following: objectives, means of achieving the objectives, the time frame for achieving the objectives, and the means to measure the degree of success in achieving the objectives. The units were also expected to quantify the resources needed to achieve the objectives and to state whether this would be done by redeploying existing resources or whether new resources would be required.

Over the previous past ten years this college had used the same method to allocate resources. The preliminary resource allocations were done by the President's Senior Executive and then that process and those amounts were explained to three of the operating committees mentioned earlier. These committees were: the Administration, Academic, and Business Development and Marketing Committees. These committees discussed and debated the various amounts to be allocated at the macro level. There was some negotiation at this juncture of the process. Some resources, about one percent of the total revenue generated (as cited by one respondent), were set aside for the Capital Committee for capital investments. The amount of ‘off the top’ resources used to cover central expenses which were referred to as ‘overhead’ and also as ‘infrastructure’ were determined through negotiation at this point. The remaining resources were distributed to the various departments based on an activity or enrolment model.
Table 6.1
Two Year Strategic Plans: College Z

<table>
<thead>
<tr>
<th>Year</th>
<th>School/Division/Department/Unit</th>
<th>Dean/Director/Manager</th>
<th>Date</th>
<th>Vice-President</th>
</tr>
</thead>
<tbody>
<tr>
<td>COLLEGE PRIORITY</td>
<td>curriculum and delivery</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### In Support of the College Objectives

<table>
<thead>
<tr>
<th>College objective linked to college priorities and goals</th>
<th>What is to be achieved and how will you achieve it?</th>
<th>How will it be measured?</th>
<th>When will it be completed? (Indicate fiscal year for completion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>strategies to address life long learning</td>
<td>1) to provide increased degree completion opportunities for post-secondary graduates.</td>
<td>to have formal articulation agreement with at least one university in each post-secondary program</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2) to provide part-time opportunities for learners at different levels of competence and development</td>
<td>to be delivering at least two part-time courses that will provide the foundation for programming similar to the package that has recently been developed in similar program</td>
<td></td>
</tr>
<tr>
<td>to diversify revenue</td>
<td>3) to have the School move into the provision of some on-line distance learning opportunities</td>
<td>to have at least one on-line course available for delivery</td>
<td></td>
</tr>
<tr>
<td>develop plan to identify and implement alternative delivery methods</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Resource Requirements:
- Quantify the resources you will use to achieve your objectives:
  - a) by redeployment of existing resources
  - b) new resources required

Notes: These strategic plans will be used to establish college-wide implementation plans.
In 1996 following the provincial budget cuts this process was modified. The senior executive made the preliminary allocations among the administrative and academic sectors of the college. On the administrative side there was some consultation with the administrative directors regarding distribution among the various administrative units. The Vice-President, Administration and Finance noted that:

I consult with my own administrative directors, but they don't feel the need to get into the details to the extent that the academic side does. But if they did we would, and that's clear to them as well.

On the academic side a committee which included the Director of Finance and the academic managers, and which was chaired by a school head, met to discuss the allocation of the resources among academic departments or units. These allocations were based on an enrolment activity model which was referred to as "a fair revenue distribution model" and was based on Ministry of Education funding weights. However, there was also some negotiation. The committee would discuss how much should come out for overhead or infrastructure. Besides those resources which were allocated for the infrastructure, some resources were also set aside for new initiatives. These recommendations were then taken to the vice-presidents. If a consensus was not reached, the president would intervene. One respondent who chaired this committee noted the following:

We allocate based on the level of activity. However, because of the competitive process where that falls apart is that somebody says: 'Well, that's great, now I am going to have to do 15 layoffs.' Then the president at that point may have to intervene and say: 'Fine, we'll direct more money over there.' For the first time this year neither the president nor the vice-president had to do that within the academic side of the house.

When departments or units received their allocations, they in turn were expected to allocate them based on their strategic plans. However, one senior manager noted that:

Then once it is in the school, then it is really up to the school head to decide how they want to allocate that, and the school heads are given fairly free range to operate within their allocated dollars; and do not need approval for that. So those priorities are set at the school level.

The academic capital process that we now have in place is based on the strategic plans of each one of the schools. The schools all have strategic plans, and so their capital requests and renovation requests would be consistent with these plans.
6.2 Linking the research questions to the data

As discussed in Chapter Three on design and methodology, in order to recognize patterns the central research questions in the study were used to examine data from the interviews and documents. Each of the three research questions was examined individually. This section of the study is a summary of that analysis done in narrative form using selected quotations from the data.

6.2.1 Question #1: How did the decision-making process for determining priorities and allocating resources operate?

In College Z the decision-making process to determine priorities was found to be linked to resource allocation, but the planning-budgeting process cannot be considered to be an integrated system. Data revealed that there were two opposing forces at work within the college in relation to decision-making. On the one hand, there were those forces which were drawn toward formally integrating these processes and toward centralization of the decision-making processes. Simultaneously there seemed to be forces which tended toward decentralization and more fragmentation of decision-making. One respondent noted that:

The fact is that College Z is a series of separate schools, if you will, that resists the attempt toward centralization. There is an encouragement toward autonomy as it is called in the positive and silo thinking if you refer to it in the negative. So that a school may have resources but will not free them up for another school's use and so there's that kind of swing between the two modes in an attempt toward centralization and strategic planning. I believe that the college is responding to directives and to pressure brought on from the budget cuts a few years ago by the Ministry. Whereas, the schools and their attempt to allocate resources given to them are primarily responding to the advisory groups and the market needs as they perceive them.

The drive toward centralization seemed to be coming from the planning department in response to fiscal constraints. These decision-makers believed that in order to provide a more extensive computerized infrastructure, planning for the allocation of resources to this area would have to be centralized. Consequently, they established the Information Technology Committee and implemented strategic planning so as to be better able to coordinate and to allocate more efficiently computer resources. This was suggested by
several respondents:

The resources of the college are seen as being a collective as far as it goes with information technology as there is infrastructure that we need to put in place. So that's the drive over the last three or four years through the planning department to get that alignment and that centralized consensus in place.

We are trying more and more to say: 'Well, these are your plans now link them to your financial plans.' But we have never done this before, we have always asked for strategic plans, but as you can see by this form this is clearly the objective.

The push to link the budgeting process with strategic planning was a very recent initiative from the planning department. Respondents noted that:

We have got a consensus in the organization of where we should be going and what we should be doing. And those goals would then be defined in simple language, and we are trying to achieve them. So it is framed this way. These are the college goals and the department budget to achieve them.

The academic capital process that we now have in place is based on the strategic plans of each one of the schools. The schools all have strategic plans. All the schools put together their strategic plans and so their capital requests, and renovation requests would be consistent with these plans.

We have done these strategic plans and we have linked them to the priorities. When somebody comes in with a capital project and wants to develop new projects, for example in online learning, that would be linked with the college priority—new ways of delivering curriculum.

However, another respondent noted that:

Priorities do absolutely determine the allocation of resources, and this is done right at the start. However, on the program decisions, I don't try to tie them all into the budget because the process is on a different time cycle, (academic cycles) which is usually a year out. So what I do under central provisions, I pull a substantial amount of money out and set it aside for new programs initiatives. And as new program decisions are made through the year we draw down the funds.

The academic schools wanted to have greater input in the decision-making process and to be able to control their share of the resources. This was noted by two respondents:

And there was a process whereby one of the academic school heads was asked to lead the academic side of the house through discussions, and the vice president, academic said: 'I am going to stay out of it.' And we created, and this is all the school heads with the budget director, a model that we perceived as fair.
And as much as we at the school level want as much money as possible to run our own programs, there is a grudging acknowledgement that the college needs a certain amount of money for new initiatives: risks, those kinds of things. Some of us may support some of them. Some of us may not support others.

This last quotation reflects the political nature of institutions such as College Z, as described by Baldridge (1971). In such organizations member groups tend to be heterogeneous with divergent interests and preferences. However, they recognize that there is conflict which is considered to be normal, and members focus on how various interests are reconciled.

Evidence indicated that the senior executive was the ultimate authority in the decision-making process. However, there was also evidence which suggested that the operating committees and school heads had a great amount of influence in allocating resources once they had been allocated to the various departments and committees. Also, while the president did not seem to play a major role in the decision-making process, he intervened when a consensus could not be reached. Respondents indicated this from the following quotes.

The people who are the most knowledgeable of what is liable to happen with the higher level financial picture are at the top of the college. But the senior management in the college does not meddle too much with the details. We do not bother ourselves with that. The budget runs the college.

The president stays out of it. He gets drawn in sometimes, if somebody gets really dissatisfied and they go to him. But he doesn’t get involved in it. But he is monitoring the process. He is a walk around president. He monitors the process and if he is getting too many arrows pointing in any direction, then he knows.

One school head noted that:

There was one school that could not make it, and is a service area to the rest of us. So there was an agreement that we would all give a little back without a fight. It really was an attempt to say that: ‘we take care of our own business.’

According to respondents in College Z, different mechanisms were used to allocate resources. These mechanisms included: high authority, some negotiation and bargaining, formulae and market considerations. Although there were various operational committees involved in resource allocation decisions, the President’s Executive Committee was considered to be the final authority in the decision-making process. The
various committees made recommendations but the President's Executive and the Board of Governors were the final authority. One respondent noted that:

We have what we call the President's Executive Committee, which is the president, three vice presidents and the four deans. There are nine of us on that committee. That is the advisory group to the president, that's the primary organizational structure when it comes down to resources.

The President's Executive is the ultimate or the final authority in terms of the budget. Everything feeds up to the President's Executive.

College Z used a budget model built on the enrolment-based formula used by the Ministry to allocate resources to various full-time post secondary programs. This model was modified to take into account other variables such as part-time enrollment, enrolment in fee for service programs, and international student enrolment. The college placed a great deal of emphasis on coming up with a fair and equitable method to distribute its resources. There were also some negotiations and agreement on "how much comes out for overhead or infrastructure," as noted by one of the respondents. Two other respondents noted that:

All the academic managers come together, and they struggle through every fall what is a fair distribution of the revenue the college gets. Based on enrolment you project what your income ought to be, and then the number of international students, fee for service programs, part time programs, and other revenue sources. We put all in the pot, and find out what is a fair distribution. What is a fair share? It ends up with a 65 page mathematical model, deciding what it should be. But it is the only way I could think of dealing with the issue of fairness and equity, and still have finance involved at every stage so that we still know what the heck is going on.

From the academic perspective, which is the primary part of the college obviously, the budget model is driven by the enrolment. The Ministry determines that some programs have high value to them, so for example if you are running a nursing program, it may have a value of six; whereas the School of Business would have a value of one, because it takes more dollars to run a nursing lab than it does to teach accounting in a classroom.

However there was intense competition for resources and market forces played a role in resource allocation decisions.

We are trying to become more market driven by the fact that the market is saying what it wants, so the market drives a lot of what we do. We make decisions on a large part on the basis of private business and industry, because we are set up in such a way that they advise us through our advisory committee structure.

I think with resource allocation, and I don't think that our college is probably any different from any other college, that it is a competing issue. People compete for those dollars.
Those schools or departments, which were under greater financial constraints due to reorganization or where market forces impacted negatively on enrollment, were funded but were under pressure to become more fiscally efficient. One respondent noted that:

"We had one school in particular, where other programs outside of that division had been closed, and that school has had to absorb those faculty. So they didn't stand a chance so we funded them. But there is still a lot of pressure on them to fix it."

6.2.2 Question #2: Why were these decision-making processes chosen to determine priorities and to allocate resources in the college?

In College Z respondents believed that the procedures used to allocate resources were chosen because they were transparent, collaborative and democratic. Respondents noted the following:

I would say that the Capital Committee is one of the success stories in the college in terms of resource allocation. It is democratic, collaborative, very fair because it is an open process.

But by going through it with them and getting some kind of understanding about the $40,000 there and the $50,000 there, you have opened it up and you can move now beyond that; and they are now commenting on the fairness of the mechanism that we use based on enrolment.

The academic side of the college also wanted to influence the decision-making process. The following quotations suggested that it was this influence which led to the use of enrolment-based formula.

So it has been a whole process of how that distribution is done becoming more and more transparent, and the academic school heads influencing that more and more.

We, being the academic side of the house, have tried to influence the distribution process, such that it is an activity-based distribution.

Respondents believed that the process was greatly influenced by declining funding and the cuts in funding in 1995 by the Ministry. They believed that it was an evolving process which involved the search for a fair distribution model and the need to balance the needs of the individual departments against the college as a whole.

I think that the college is responding toward directives from the Ministry and to pressure brought on from the budget cuts a few years ago by the ministry. Whereas, the schools
in their attempts to allocate the resources are responding primarily to the advisory groups and the market needs as they perceive them. The net result is a little bit of confusion, quite a bit of competition and some misalignment in terms of resources. But things are getting better, something that we keep working at and I think that in the future there probably will be greater capacity to find the best way to allocate the resources that we have.

This process started on the heels of years of declining revenues. When that big 15% cut came in 1995, my comment on that was: ‘When the food gets scarcer the animals get nastier,’ There was more fighting, and more attacking other people, to the point where we did have the discussion about why we continue to shoot at one another. I mean we have got the wagons circled; but we are shooting inwards. That is when we really started to work at getting a model that was fair.

6.2.3 Question #3: How were teaching and learning considered within the decision-making process for allocating resources?

Considerations given to teaching and learning in the decision-making process were explored by examining (1) attempts to incorporate notions or concepts of program quality into resource allocation and budgeting techniques; (2) discussion of teaching and learning in relation to resource allocation and priority determination; and (3) reallocation of resources between various areas and departments, such as, shifts in the types of programs offered.

6.2.4 Program quality and resource allocation techniques

College documents stated that “quality and excellence” was one of the core values of College Z, and that one of the college’s priorities was “quality and performance and accountability.” Two senior executives that were interviewed for this study also emphasized the importance of a “quality” curriculum as shown in their responses below. One stated that:

Quality takes priority for us. We have a standards project headed by one of our deans, and she is pursuing the measures of quality in the areas of graduate placement rates, student feedback on courses and faculty, and graduation rates.

This initiative showed the college’s interest in developing quality measures. These measures focussed on quality as ‘exceptional performance’ measured against standards such as graduation rates and placement rates. There was also some focus on quality as ‘fitness for purpose’, whereby students helped in defining fitness through student
feedback. The other executive stated that:

I took all the strategic plans and found that 86 of them dealt with diversified revenue, 171 dealt with curriculum delivery. So I could see the distribution of where the energy was being put in by the schools. Now someone said to me that this is no big deal that they would come out like that because those are related to the college priorities and we asked people to do their plans on the priorities. The answer is yes, we did but I find it interesting that in terms of if we pick quality and performance out of all the plans in the college we pick two hundred that would address the issue of quality.

This respondent also suggested that most internal stakeholders believed that quality curriculum was probably the most important of the college priorities, although he indicated that the college deliberately did not rank the priorities.

When we developed the priorities there was quite a debate in the college as to how we were going to list them. Someone said: 'Now that we have the priorities are we going to list then one, two, three, and four.' And I said: 'No.' Because I thought if I listed them like that someone would say that # one is more important than # five. To us those priorities are all important so we didn't rank them and we didn't number them and we purposely stayed away from that.

“Our driving force is to obtain optimum funding that will maintain a quality curriculum.” This statement was found repeated several times in college documents. However, no documents or respondents indicated (1) what was the optimum level of funding, or (2) how the optimum level of funding would be determined. This could suggest the difficulty of translating theoretical concepts of quality into actual achievable plans. One respondent acknowledged this difficulty by noting that:

The dilemma that we have often had is that you know that one talks about programs being market driven and being responsive to the market, and clearly that is one measure in terms of product quality or whether nobody wants to buy. That may be because it is of poor quality. But what if there is a market for kneecapping people are we going to have a program for that? Obviously not, there are clearly ethical and high standards, but those are harder to measure.

The strategic plan did ask that units or departments explain how a project would be linked to the college priorities and goals, one of which (as was previously stated) was a quality curriculum.

College documents stated that College Z used a program review process to determine whether programs should be discontinued. This was done through the office of the Vice-President, Academic and through the Academic Council. The Board of
Governors made the final decision. However, schools were held responsible for the quality of their students and programs and their performance. Documents stated that criteria for program rationalization were based on enrolment demand and employer demand for graduates from the particular program. Respondents however, showed some ambiguity regarding the use of program review and whether this was used as a quality process or to rationalize programs, or for both. The quotes below illustrated this.

We have a program review process. It was used as a continuous improvement sort of thing, but there has been talk about may be that it needs to be more summative evaluation process and not just formative.

We have program review which is a quality process, not so much a measurement of quality. Placement statistics is another way that we measure quality, that is, our students getting the jobs that they are trained for. I don’t have a lot of faith in placement statistics, I feel that either way they are cooked. They indicate something, but I have never had much faith in them.

This ambiguity arises from the multipurpose use of program review. Conrad and Wilson (1985) argue that using the same program review for both program improvement and resource allocation can have its drawbacks. In both cases an assessment of quality is required to determine the strengths and weakness of a particular program, and also to provide some basis for resource allocation. However, for quality improvement the review should emphasize how to assess current performance, examine progress over time and examine strategies to improve the program. On the other hand, in resource allocation, the relative worth or value of various programs must be examined, and quality is only one of many factors to be considered. For example, one should also examine societal and student demand. For program improvement long term analysis is necessary, while resource allocation is usually driven by budgeting which tends to involve short term analysis.

Respondents linked quality to application, student placement and graduation rates, to accountability, efficiency, and to market forces. The college seemed to consider application rates, which are readily available on an annual basis, to be a very important measure of quality. One respondent noted that:
There is the annual measurement of how many applications we receive and College Z likes to pride itself on receiving more than any other college. We receive about 36,000 applications a year.

Graduation rates were also used as a measure of quality. These rates were linked to student preparedness on entry into the institution. Here the college seemed to be using a valued-added assessment to measure learning and teaching accountability. This type of approach reflects the belief that excellence is determined by how well an institution enhances individual development. On the other hand, good degree requirements may reflect high entry scores or other inputs, as it is very difficult to define and determine "good" teaching. Also student graduation rates are partly at the discretion of the department or the institution (Cave, Harvey, Dogan and Trevett, 1988). The respondent also seemed to suggest that programs were given a semester to remedy student under-preparedness.

If a school has a significant proportion of under-prepared students, they are obligated to provide re-mediation for them. I estimate what we would offer in a band of ineffectiveness or under-preparedness that can be re-mediated in one semester, and if they are not, we indicate to the program that they would have appeared to have dipped lower in the barrel to full their student numbers than their cut off should have been. Our data have also shown where our cutoffs are, and that's where students tend to fail. The idea that you are recruiting people who are going to fail is not good education.

Placement rates were also used as a measure of quality. This data are usually collected six months after graduation, as it would be too costly to do a longitudinal study. However, as pointed out by Cave, Harvey, Dogan and Trevett (1988), these rates do not capture a graduate's long-term prospects of employment or the market value of the graduate's employment. Also, high employment on graduation may be the result of too little job search and may lead to poor job matching.

There has to be employment. There has to be a certain number of hours. Students have to meet a certain criterion for the program. If you can't find students that are going to succeed then don't bother offering the program. They self select. In the end if you have poor placement or whatever, and like anything else we would need to go and work on it.

Respondents cited both teaching and administrative accountability as important measures of quality. Administrative accountability was measured by the degree with
which the department or school remained within its operating budget. Teaching accountability was derived from student feedback on the faculty and programs and this was used in both formative and summative evaluations. As noted below by one respondent:

Schools are held accountable for quality of students, the programs and their performance. Effectiveness measures include: student feedback on course and faculty, and in that measure we have rationalized or cancelled programs. We have also used that to reduce from being at one point having equal numbers of faculty the students described as weak and faculty the students described as strong. Now the ratios nine strong to one weak. And by and large the weak ones are being dealt with one way or another. This is based on student feedback.

Another respondent stated that:

For many years we have done student satisfaction surveys here in this college to measure quality. But we also look at application rates, job placement rates and how well you are operating within your budget or not. Those are the factors that the vice president uses to determine whether a program stays or not.

The college’s focus on accountability and effectiveness seemed to be strongly influenced by external forces.

The external community creates forces on us that tell us that accountability, and performance management training are necessary. It is clear that there are high expectations on all of us.

Some respondents also saw the Ministry’s key performance indicators as a measure of quality. There was some suggestion that in the near future, the college could use the Ministry’s key performance indicators to directly link resource allocation with quality since the Ministry was now doing this. According to the Ministry’s final report on the implementing key performance indicators in the CAATs, The KPI’s were to be used to “measure program quality and relevance that would then be used to allocate a portion of funding based on performance” (MET, 1998:1). Two respondents stated that:

The recent key performance indicators, that is certainly going to be one measure of quality in the very near future and six percent of our budget is going to be allocated against meeting target numbers there. That will be a measurement of quality, but it will be after the fact.

It has been thrown out at one point that those that have good key performance indicators at the school level deserve more money. The government is going to do that. And who knows we may also down the road.
6.2.5 Discussion of teaching and learning in relation to resource allocation

Some respondents discussed teaching and learning in great detail. Data indicated that the college community had extensive discussions regarding the role of teaching in the college and whether teaching and learning can be separated. One respondent indicated that there had been the perception that there was a movement away from the acknowledgement that teaching and learning were the main raison d’etre of the college. When it was realized that this was happening and that this was demoralizing to faculty, there was a conscious effort made to bring the focus back to teaching and learning.

The old school believes that teaching is the most important thing and that’s the old teacher centred model. The new model which is called learner centred, believes that learning is the most important thing. A good number of faculty because of their seniority embrace the teacher centred model and if you talk to them they will simply talk about teaching. But I think that a good number of people have moved over to the notion that what we need to focus on is learning, and not only enhancing learning but offering multiple ways of providing learning for students. The traditional teacher would typically say but I am involved in learning too, I don’t see the distinction that is being made here.

It was felt that budget cuts and the resulting search for alternate sources of revenue had caused decision-makers to focus more on ways to increase and diversify their revenue sources, and had shifted some focus away from learning and teaching.

Again, I think triggered by the budget cuts which then caused people to look at diversified revenue, partnerships and all those other ways of making money, focus on customer service, that whole debate about whether the students are clients and customers. But over the past eighteen months maybe, there has been a discussion, that in all that, we made a mistake and stop talking about paying attention to teaching and learning, maybe we have thrown too much of our energy and focus on these other things that clearly are important; but not acknowledging, not talking about teaching and learning. That was really demoralizing for faculty, and we were really at risk of throwing the baby out with the bath water. Yes, customer service is important, but if you haven’t got good teaching and learning, good quality programs, yes, you may get them in the front door but you aren’t going to keep them. And so we needed to reaffirm that commitment to teaching and learning. We have done that in ways that have a budgetary impact, in others that don’t.

We have an annual showcase where faculty come and present their best practices and it always has a theme. In the last few years the theme has been what many of us would say is non-core stuff—how to build partnerships, new ways of making money. Well, this past year it came back, and the theme was around teaching and learning, and again best practises about teaching and learning. I think that in the budget process we keep talking about if we don’t get the bulk of our dollars back to the program door to support what is going on there; the rest of it is a farce.

There was extensive debate regarding the amount of resources allocated to non-academic areas of the college, or what is referred to as ‘off the top’ revenues.
Respondents indicated that the debate centred around whether more money should be allocated to current teaching and learning or should be spent on transforming the college to meet the challenges of the twenty first century.

But there are many, many instances where the schools feel that too much is taken off the top, and the way they would put it is that between tuition and the Ministry grant that is provided for each one of their students they perceive that they only receive something like 55 cents on the dollar. They are bringing in one dollar but 45 cents is taken off the top in order to support various administrative matters. The standard now in the colleges is 30 percent in order for heat and light and all the other facilities cost that are of course part of a centralized budget. But there is a sense that more is taken off the top than should be, and further more there seems to be that more and more have been taken off the top. That is the perception. I am not sure if it is the reality.

One of the primary concerns of schools and departments is that there is a sense that too much money is being taken off the top and given over to things that don't necessary enhance learning, don't necessary ensure that learning will take place. Some people feel that money should be spent on transforming the college and doing projects that are meant to reach deeply into the culture of the college and to change; that I would argue that it obviously makes a lot of sense to go about the business of positioning the college for the 21st century; because if we don't do that we may find ourselves not in a position to really provide learning that is needed in the 21st century.

Documents stated that participatory decision-making was one of the values of College Z. Some respondents reported that faculty and support staff were involved in the decision-making processes as members of the decision-making operation committees. This was especially true of the Capital and Renovations Committee, which was considered to be one of the most democratic and transparent committees in the college. Also, the head of the Core Team Committee was a faculty member.

The Capital Committee enlists representation from the college faculty and administrators, and I believe that there are even a few support staff on there as well. That is probably one of the most democratic committees in terms of every school puts forward its wish list which typically totals about 300 percent of the funds that are available. So in that committee there is quite a bit of bartering that goes back and forth to find the best fit.

However, there was no standard model for participation in budget development at the school or department level, and faculty involvement in the decision-making process was varied. When schools and departments did their operational plans faculty was sometimes involved, but the extent of involvement depended on the leadership style of the unit head. The following quotations describe faculty involvement.

Faculty participation will vary from division to division. I encourage them to talk and discuss with all faculty what the story is, get their input; but some managers don't do that,
and I don’t bother myself with it. I set the style here and if a faculty member came in here and asked me all kinds of questions, I would say here is a copy and here is the page that you are asking about. I don’t think that you can push your own management style down into the organization entirely. You wouldn’t succeed. I think that the division where the faculty are involved and make some of the decisions, you will find that they are doing a little better in general.

We are an institution that allows the department manager to manage; and they allow them to make their decisions within some very broad boxes that are defined. I think that there are some school heads that are extremely consultative and would involve a huge range of faculty, and coordinator and support staff. There are others who would work primarily with their coordinators, and there are others who would make pretty autonomous decisions, although they would probably be the few.

After it gets down to the various schools, then the dean with his/her administrators and their faculty. Each school would have a different model of how they develop their budgets. I know that in some schools it is broad-based, that a lot of people are involved in the budget process. I suspect that in some schools it’s done from the top.

6.2.6 Reallocation of resources

In College Z there was some reorganization during the research period. This involved closure of some campuses, shifts of resources between full-time and part-time positions, restructuring of schools and departments, and shifts of resources to new programs. The college had closed some of its satellite campuses and was operating primarily from two main campuses. This process was more in response to technological change and the gradual decrease in government funding than specifically to the 15 percent decrease in funding in 1995-1996 year.

We were already in the process of moving away from that store front approach, we had six campuses but we only have two campuses now, and both are being highly developed.

We had a number of rental places around and about and we used to have two or three small campuses. Now those have closed over the years. Now let me think. We were moving out of that stuff anyhow. It was part of a move to consolidate operations. Now there are two main campuses

Some resources were shifted from full-time to part-time positions. This was done to allow for more flexibility and to be more cost effective. One respondent, who was also a senior administrator, noted that the college system had never been funded for full-time employees in so many positions, and that the situation had been exacerbated by the 1995 budget cuts. The college had decreased the number of full-time employees by about 40
percent mainly through attrition and early retirement following the budget cuts. Student contact hours were also reduced by decreasing the number of hours in the curriculum, and through the use of more independent study. Two respondents noted that:

For example, to the credit of our administration, very few people were let go as a result of that cut. I believe that it was about ten to eleven faculty members, and a similar number of support staff. There were quite a lot of early retirements. They continue up until now. It is true that over the last five years we have reduced our staff from close to 1500 full time employees, that's everybody including administrators, faculty and support staff to about 900. The irony is that we are doing more now than we were doing before, so we are certainly running very lean in terms of the ratio between staff and the work expected of that staff, and that process was started before the big budget cut. It was set up before but was certainly sped up by the budget cuts in 1995.

This is a big institution and we are not funded for full-time people in all of those positions, we never have been and it is worst now. Managers have got to adjust their human resources roster in that budget between full and part-time. The deans that do that well have a lower cost overall in terms of personnel, they have funds to do other things and I am not going to punish them. Now, I am not completely heartless. We do have to look after some divisions. We had this one school in particular, where other programs outside of that division had been closed, and that school has had to absorb those faculty. So we funded them. But there is still a lot of pressure on them to fix it.

We lost hours in our curriculum, we had to trim hours here and there and then we got into more independent learning. You know if you have a three-hour course and it is teacher led for two hours, and students work independently for one hour.

One of College Z's goals was the development of a more diversified revenue base. In order to reach this goal, College Z shifted resources into new areas and new programs as noted by one of the respondents:

There are six programs that replaced programs that have been downsized. I asked for about a quarter of a million dollars to a third of a million dollars each year strictly to allocate to new programs. We always put money into change. And we even did that when they took out the 13 million or the 15 percent, we put a quarter of a million dollars into new programs.

External influences from the market, new technologies and government initiatives determined these new areas. Consequently, resources went into developing apprenticeship and technology programs which could receive additional funding from government. For example, respondents noted the following:

For example, apprenticeship, that frankly is being driven by government shifts in that area. Also something like innovation that is a major part of shifting here, and have a good deal of impact on our budgeting and changes. It is development of new programs.
When government puts money out, they sure influence everything that we do. You will see on that chart that we are showing the primary growth occurring is in information technology and accounting and in actual fact is 66 percent of our growth. Because accounting is becoming more information, we put the two of them together. Two thirds is driven by government plan.

The police foundations program is one that government had wanted to have instituted, and they have been very aggressive about hurrying the process. They were concerned that the colleges could not meet the growth requirements.

Other areas like Internet and web those are brand-new areas, and they are extremely interesting because they are a very broad brush on all programs. I think that it is almost going to be like communications in the future and everybody will have to be involved to a certain extent in this new economy. It is a new field and we are developing a whole string of programs and they are going to have a significant common denominator in all of them.

Resources also shifted to students taking full fee for service programs. These basically fell into two categories: (1) domestic students taking post-diploma and other full fee for service programs, and (2) into the recruitment of international students who pay the full program costs. These students are not subsidized by the government through the funding formula. Their tuition covers the full cost of their program. Three respondents noted that:

Up until two years ago we never actively recruited international students, we always got about 100 students who came to this college just because they knew about us and applied. We are now on an active campaign, we started two years ago and over the next four years we want to get up to five percent of our students which is our case would be 600 students. The primary reason for having international students has to do with the fact that it is a good and very positive thing to have people from other parts of the world at your college. We want to have as many different people, representatives and opportunities; it's good for everybody, not only for the international students who come here but also for the Canadian students. But a secondary reason is clearly that it does generate revenue. That is a tough one to talk about because a lot of people assume that it is at the expense of the poor international students who have to pay fees that are not regulated.

So what we have here is our international student plan, and it was this that provided us with the basis for the growth size. So people say we should diversify revenue, we looked at the international students, but we don't want more than five percent. This was largely driven as well by several years of surveys, and to a degree in several South East Asian countries and in South America, a lot of people want to come to College Z. This has been driven by market dynamics.

Then six new programs are fees for service. Remember one of the priorities is revenue diversification and the more fees for service we have, the more we don't rely on the MET grant. We have recruited very high end students especially for these programs, and we are trying to provide resources that are interested to them.
Resources had to be shifted from other areas into the purchase of academic equipment, since, according to one respondent, government had stopped funding capital equipment.

We don’t get any money from the government for capital equipment any more. We get some money for renovations, for capital renovations, improvements of buildings and physical facilities, but in terms of academic equipment, we have to pay for that for ourselves. When we get our grant of $50 million from the government, that’s part of our revenue, we will take off a million and a half off the top and put aside for academic equipment, and then distribute the rest of the money according to our regular budget process.

College Z reorganized its schools and reallocated resources from some schools to others during the period under investigation. This is shown in college calendars from 1993-1994 to 1999-2000 as outlined in Tables 6.2 and 6.3. In 1993-1994 the college offered its programs under five major divisions and under Business and Industry Services, Post Graduate and Apprenticeship Programs. The divisions were reorganized to form ten major schools. The Applied and Creative Arts Division was disbanded and programs offered in this division were then offered in the School of Hospitality, Recreation and Tourism Alliance, the School for the Built Environment, and Liberal Arts and Sciences. The Technology Division became the new school of Information Technology, Accounting and Electronics which offered programs in Accounting, Computer Studies and Electronics. As previously pointed out this area accounted for 66 percent in the college’s growth from 1989 to 1999. The School of Business which lost most of its Computer and Accounting programs was left with mostly programs in Management, Administration and Marketing. This indicated a shift of resources to the new School of Information Technology, Accounting and Electronics. There were also four other new Schools of Media Studies, Built Environment, Manufacturing Technology and Design, and Performing Arts. Some programs such as Equine Studies and Ski Resort Operations were eliminated. The college also eliminated Multicultural Workplace from its Business and Industry Service Programs, and added Fire Career Preparation and Digital Image Training. The college expanded its post graduate programs from thirteen full-time and part-time programs to over forty programs, in keeping with its goal to offer more fee for service programs as these generated more revenue than post secondary programs. Apprenticeship and Pre-
College Programs also increased from eight to eleven programs.

Table 6.2
Divisions and Programs (1993/1994): College Z

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<td>• Accountancy</td>
<td></td>
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<tr>
<td>• Management Studies</td>
<td></td>
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<tr>
<td>• Business Administration</td>
<td></td>
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<tr>
<td>• Computer Programs</td>
<td></td>
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<tr>
<td>• Human Resource Management</td>
<td></td>
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<tr>
<td>• Marketing</td>
<td></td>
</tr>
<tr>
<td>• International Business</td>
<td></td>
</tr>
<tr>
<td>• Office Administration Programs</td>
<td></td>
</tr>
<tr>
<td>Table 6.3</td>
<td>Schools, Divisions and Programs (1998/1999): College Z</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td><strong>Liberal Arts and Science Division</strong></td>
<td><strong>School of Information Technology, Accounting and Electronics</strong></td>
</tr>
<tr>
<td><strong>Programs:</strong></td>
<td><strong>Programs:</strong></td>
</tr>
<tr>
<td>- English for Academic Purposes (ESL)</td>
<td>- Accounting</td>
</tr>
<tr>
<td>- General Arts and Sciences</td>
<td>- Computer Engineering Technology</td>
</tr>
<tr>
<td>- General Education</td>
<td>- Computer Information Systems</td>
</tr>
<tr>
<td>- Science and Technology Profile</td>
<td>- Computer Programmer</td>
</tr>
<tr>
<td>- University Transfer Profile</td>
<td>- Electronics Engineering</td>
</tr>
<tr>
<td><strong>School for the Built Environment</strong></td>
<td><strong>School of Manufacturing Technology and Design</strong></td>
</tr>
<tr>
<td><strong>Programs:</strong></td>
<td><strong>Programs:</strong></td>
</tr>
<tr>
<td>- Air conditioning and Refrigeration Engineering</td>
<td>- Chemical</td>
</tr>
<tr>
<td>- Architectural Technology</td>
<td>- Industrial Design</td>
</tr>
<tr>
<td>- Civil Engineering</td>
<td>- Electrical Engineering</td>
</tr>
<tr>
<td>- Design Foundation (General Arts &amp; Sciences)</td>
<td>- Electro-Mechanical</td>
</tr>
<tr>
<td>- Gas Technician</td>
<td>- Electronics</td>
</tr>
<tr>
<td>- Interior Design</td>
<td>- Mechanical Engineering</td>
</tr>
<tr>
<td>- Landscape Technician</td>
<td>- Plastics Engineering</td>
</tr>
<tr>
<td>- Retail Floristry</td>
<td><strong>School of Media Studies</strong></td>
</tr>
<tr>
<td>- Urban Arboriculture</td>
<td><strong>Programs:</strong></td>
</tr>
<tr>
<td><strong>School of Business</strong></td>
<td>- Advertising and Graphic Design</td>
</tr>
<tr>
<td><strong>Programs:</strong></td>
<td>- Advertising Media Sales</td>
</tr>
<tr>
<td>- Business Administration</td>
<td>- Broadcasting Radio</td>
</tr>
<tr>
<td>- Business Management</td>
<td>- Creative Photography</td>
</tr>
<tr>
<td>- Fashion Arts</td>
<td>- Film and Television Production</td>
</tr>
<tr>
<td>- Marketing</td>
<td>- Journalism</td>
</tr>
<tr>
<td>- Microcomputer Management</td>
<td>- Multi-Media Design and Production</td>
</tr>
<tr>
<td>- Office Administration</td>
<td>- Package and Graphic Design</td>
</tr>
<tr>
<td>- <strong>School of Health Sciences</strong></td>
<td>- Public Relations</td>
</tr>
<tr>
<td><strong>Programs:</strong></td>
<td><strong>School of Performing Arts</strong></td>
</tr>
<tr>
<td>- Early Childhood Education</td>
<td><strong>Programs:</strong></td>
</tr>
<tr>
<td>- Funeral Service Education</td>
<td>- Music</td>
</tr>
<tr>
<td>- Nursing</td>
<td>- Theatre Arts</td>
</tr>
<tr>
<td>- Pharmacy</td>
<td><strong>School of Social and Community Services</strong></td>
</tr>
<tr>
<td>- Occupational Therapist</td>
<td><strong>Programs:</strong></td>
</tr>
<tr>
<td>- Paramedic</td>
<td>- Child and Youth Worker</td>
</tr>
<tr>
<td>- Physiotherapist</td>
<td>- Development Services Worker</td>
</tr>
<tr>
<td>- Personal Support Trainer</td>
<td>- Law and Security Administration</td>
</tr>
<tr>
<td><strong>Hospitality, Recreation and Tourism Alliance</strong></td>
<td>- Police Foundation</td>
</tr>
<tr>
<td><strong>Programs:</strong></td>
<td>- Social Services Worker</td>
</tr>
<tr>
<td>- Chef</td>
<td><strong>School of Business and Industry Services</strong></td>
</tr>
<tr>
<td>- Culinary Management</td>
<td><strong>Programs:</strong></td>
</tr>
<tr>
<td>- Hospitality Management</td>
<td>- Conference Management Services</td>
</tr>
<tr>
<td>- Sports Equipment Specialists</td>
<td>- Centre for Transportation Training</td>
</tr>
<tr>
<td>- Tourism and Travel</td>
<td>- Digital Imaging Training Centre</td>
</tr>
<tr>
<td>- Recreation and Leisure Services</td>
<td>- Fire Career Preparation Program</td>
</tr>
<tr>
<td>- Sailing Centre</td>
<td><strong>School of Social and Community Services</strong></td>
</tr>
<tr>
<td>- <strong>Hospitality, Recreation and Tourism Alliance</strong></td>
<td><strong>Programs:</strong></td>
</tr>
<tr>
<td>- Chef</td>
<td>- Child and Youth Worker</td>
</tr>
<tr>
<td>- Culinary Management</td>
<td>- Development Services Worker</td>
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<td>- Hospitality Management</td>
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<tr>
<td>- Tourism and Travel</td>
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<tr>
<td>- Recreation and Leisure Services</td>
<td><strong>School of Business and Industry Services</strong></td>
</tr>
<tr>
<td>- Sailing Centre</td>
<td>- Conference Management Services</td>
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<tr>
<td>- Centre for Transportation Training</td>
<td>- Digital Imaging Training Centre</td>
</tr>
<tr>
<td>- Fire Career Preparation Program</td>
<td>- Fire Career Preparation Program</td>
</tr>
<tr>
<td>- Sailing Centre</td>
<td><strong>School of Social and Community Services</strong></td>
</tr>
</tbody>
</table>
6.3 Summary

In College Z, during the period under review, the decision-making processes to allocate resources and to determine priorities operated through a variety of channels involving both internal and external stakeholders. These included: high authority, tradition, bargaining and negotiation, formulae and market considerations. Data suggested that there was always some planning going on. This was supported by the presence of a planning office and the fact that the Dean of Planning played a major role on the President's Executive which held the ultimate authority in the decision making process in the college.

Planning and budgeting while not integrated processes were linked to each other to some degree. Data indicated that there was currently a push from the planning office to attempt to further integrate and centralize these two sets of processes throughout the entire institution. Also some evidence suggested that this was in response to budget cuts. Simultaneously, there were also forces at work in the college which were attempting to maintain decentralization of these processes. For example, each department or school had a great degree of autonomy in the allocation of its own resources. However, departments worked together when they had a common goal, for example in the area of information technology. This reflected some mutual interdependence, but also some degree of independence in the various schools and departments. Data also indicated that internal stakeholders simultaneously belonged to more than one decision making subgroup or committee. For example, there were faculty members on the Capital Committee, and the Core Committee was chaired by a faculty member. The latter committee was responsible for setting the college's goals. These characteristics seemed to fit Baldridge's (1971) political model of decision making in institutions of higher learning, as discussed in the literature review in Chapter Two of this thesis.
CHAPTER SEVEN
CROSS-CASE COMPARISONS

7.0 Introduction

This chapter compares the research findings of the three case studies. The chapter addresses each of the three research questions in separate sections. For each of the three research questions the data are arranged in unordered descriptive matrices, which contain basic information from the three cases. This was done for easy viewing and comparisons. The findings were then examined in relation to the propositions drawn from the literature and outlined in Chapter Three of this study. This helped to illuminate an understanding of the similarities and the differences observed in the various decision-making processes used in the three cases. The chapter concludes with a summary of the analysis of the findings.

7.1 Question #1: How did the decision-making processes for determining priorities and allocating resource operate?

As illustrated in Table 7.1 A, College X used an integrated management system, with a constant focus on goals and objectives to determine its priorities and to make decisions to allocate its resources among those priorities. The decision-making process was centralized, transparent and participatory, and involved a continuous series of activities and decisions involving internal stakeholders. Budgeting and planning were linked through operational department planning and college wide strategic long term planning, which emphasized the need for the college to examine its environment, its priorities and its future. This was combined with financial strategies to enable the college to achieve its goals and its objectives. In this formal system of budgeting and planning the president did not play any major discernable role as an individual in the decision-making process. The president was the chair of the Executive Committee. The president had initiated the development of the strategic planning process in 1992. However, in 1995 in response to the government budget cuts the Board of Governors had requested that the president set up an advisory ad hoc committee to develop an action
plan to respond to these cuts. The Board of Governors introduced this new integrated planning and budgeting process on the basis of the recommendations of the advisory committee.

Similarly, in College Z the process was also transparent and participatory. Decision-making operated through a number of committees whose membership comprised the college executive, administrators, faculty and support staff. The president intervened if there was conflict or an impasse. Strategic plans were developed within the framework of college-wide priorities, goals and objectives at the school or department level. These plans were used to establish college-wide implementation plans. There was an ongoing push away from the school or department level toward greater centralization and to directly link strategic planning with budgeting. Strategic planning was currently being done at the school or department level. Simultaneously, there were opposing forces working to preserve decentralization and to control decision-making within the individual schools. This was because the individual schools traditionally had a considerable amount of autonomy which they were reluctant to relinquish to a central authority, such as a planning department. However, school heads and department leaders recognized the need for some centralization especially in the area of financing of infrastructure for technology.

In contrast in College Y, the planning process was flexible, always in some state of flux, less coherent, and was less transparent and less participatory than in the other two colleges. Planning was seen as ongoing in order to make it easier for the institution to adapt to changes. Unlike College X and Z this college did not have a formal planning office. Data indicated that the process in College Y was greatly influenced by the leadership style of the president, who played a major role in decision-making. The president relied on building relationships and on consulting formally and informally with individuals and small groups as part of the decision-making process. In this college planning was seen as a process in itself, distinct from the budget process. There was a college-wide academic plan which provided a value statement and some of the key
directions for the college to follow at the macro level. This plan did not deal directly with resource allocation issues, but it had budgetary implications. Since the plan provided key directions for the college to follow, this meant that these directions would be taken into consideration when decisions about resource allocations were being made.

Table 7.1 A shows that in all three cases the college executive first decided the amount of the “off the top” revenues to be used for central administrative purposes. Documents and respondents in the colleges indicated that the traditional standard had been a 30/70 split in most community colleges in Ontario, with 30 percent allocated to the “off the top” revenues and 70 percent to academic areas. However, the colleges had abandoned this “standard” allocation and had adopted new procedures to determine a more appropriate balance, because departments and other stakeholders wanted input in determining the amount of these funds. In College X the Senior Executive Committee still decided the amount of “off the top” revenues for projects considered central to the college, but there was some negotiation with the Resource Allocation Committee regarding the amount of these “off the top” revenues. There was some negotiation among the vice-presidents in College Y to determine the amount of the “off the top” revenue. In College Z the committees involved in the process determined these amounts at the macro level. In all cases historical patterns, various cost and revenue pressures, physical resource contracts, new initiatives and the collective agreement helped to determine the amount of the “off the top” revenue. The governance structure of Ontario’s community colleges gave Board of Governors the final authority in the decision-making process. This authority comes from the Ministry of Colleges and Universities Act and its accompanying regulations.

The three colleges used some form of economic model to allocate resources among various schools and departments. In College X, this model was based on revenue and cost, free market ideology and other features. These features included: custom, high authority and some negotiation. College Y used a formula based on Ministry criteria,
tradition, negotiation and high authority. College Z also used a formula loosely based on Ministry criteria, market considerations and negotiations.

**Table 7.1 A**  
Overview of the Relevant Decision-Making Processes and Structures by College

<table>
<thead>
<tr>
<th>College X</th>
<th>College Y</th>
<th>College Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central planning office</td>
<td>No central planning office</td>
<td>Central planning office</td>
</tr>
<tr>
<td>College wide strategic plan</td>
<td>Planning document called the Academic Framework, referred to as a strategic plan, used as a basis for decision-making as it related to academic programs</td>
<td>Decision-making through a number of committees made up of college executives, administrators, faculty and support staff. Core Team Committee made up primarily of the faculty, which set college wide priorities and determined projects.</td>
</tr>
<tr>
<td>Integrated management system with a focus on goals and objectives and linking planning with budgeting</td>
<td>Planning and budgeting were separate processes.</td>
<td>Planning linked with budgeting at the school or department level.</td>
</tr>
<tr>
<td>Department operational plans and budgets based on and tied to the college’s strategic plan.</td>
<td>No mandatory planning by departments. Planning was flexible, incoherent and inconsistent. When managers received their budgets some of them worked with chairs and staff to determine spending priorities.</td>
<td>Departments and schools made up two-year strategic plans and budgets within the framework of the college wide priorities, goals and projects.</td>
</tr>
<tr>
<td>College Executive made decisions about “off the top” revenues for central funds or initiatives judged to be priorities by the strategic plan, and those covered by the collective agreement. Some negotiation between Resource Allocation Committee and College Executive.</td>
<td>College Executive made decisions about “off the top” revenues for central funds. Decisions debated by the other committees with some negotiation among the committees.</td>
<td>College Executive made decisions about “off the top” revenues for central funds. Decisions debated by the other committees with some negotiation among the committees.</td>
</tr>
<tr>
<td>Resources allocated between schools and departments using a revenue cost based model.</td>
<td>Resources allocated among departments using an enrolment-based activity formula based on MET criteria. This also involved negotiation to ensure employment stability in the various schools.</td>
<td>A committee of academic managers and the budget chief used an enrolment-based activity model, and other market criteria to allocate resources among academic schools. This also involved some negotiation.</td>
</tr>
<tr>
<td>A Resource Allocation Committee monitored and evaluated department operational plans and budgets and made final recommendations to the College Executive.</td>
<td>Non-functioning Budget Review Committee. No discernable process for evaluation and monitoring</td>
<td>Evaluation and monitoring done by the Central Planning Office</td>
</tr>
<tr>
<td>Board of Governors was the final authority in the decision-making process.</td>
<td>Board of Governors was the final authority in the decision-making process.</td>
<td>Board of Governors was the final authority in the decision-making process.</td>
</tr>
</tbody>
</table>
The three colleges had different organizational structures for decision-making. Even in College X and Z where there were central planning departments there were some differences in the process by which decisions were made. In College X the approach was entrepreneurial with a market focus and an emphasis on learners as customers. Decision-making was more bureaucratic. There were clearly defined roles for participating stakeholders at every stage of the decision-making process. Departments and units had to generate revenues to cover all their costs. College Y used a more values-based approach with a focus on learning and teaching. The decision-making structure exhibited characteristics of a combination of collegiality and anarchy, and consequently was more murky. In College Z the decision-making was done through committees which were used to build a consensus and to forge agreements with a focus on learning and teaching.

The two colleges with planning offices (College X and College Z) had well defined planning cycles linked to their budgeting. In these cases all schools and/or departments had to prepare either strategic or operational plans. In the case of College Y, where there was no planning office and, there was no mandatory planning at the school or department level. In College X monitoring and evaluation of the process was done through the Resource Allocation Committee and the Planning Office. In College Z this was also done through the Planning Office. There was no evidence to show how monitoring and evaluation were done in College Y.

7.2 Question #2: Why were these decision-making processes chosen to determine priorities and to allocate resources?

As illustrated in Table 7.2 A, College X adopted its decision-making process because of cuts in government funding, which compelled the college to find a more efficient way to allocate its declining resources. Data indicated that decision-makers believed that these processes should be based on efficiency, effectiveness and accountability, while maintaining quality. Decision-makers tried to link resource allocation to these concepts. The College Executive Committee chose this approach because it was transparent and participatory. The committee believed that transparency was
necessary to foster a climate of trust and collaboration which would contribute to the accountability needed to cope with the decreases in public funding. Likewise, in College Z, the decision-making approach was chosen because it was perceived to be transparent, collaborative and democratic. Here also, declining public funding brought about the search for a “fair” distribution model. In this case the academic school heads wanted to have greater influence in resource allocation decisions, and played a major role in the process at the school or department level. This was because the schools saw themselves as autonomous divisions. It was their funding coming to their students, and they believed that they should have input into how it was allocated. The president intervened when there was an impasse and data suggested that this was often the case.

The situation was somewhat different in College Y. Data suggested that the process was chosen based on the leadership style of the president, which was informal and built on relationships. Thus the process was more flexible and fluid because the president believed that this would allow the college to adapt quickly to the changing external environment and that formal planning would make it more difficult to do this. Respondents noted that the president often said: “We have to be nimble.” Data indicated that the president was trying to foster a climate of collegiality to eliminate the vestiges of what was perceived by respondents to have been a tradition of power and influence, favouritism and conflict left over from the previous administration. Yet some respondents viewed the process as secretive, incoherent, and lacking accountability, because they considered policies implemented to be contrary to the idea of collegiality. For example, the Budget Review Committee no longer met. The Senior Executive Committee did not call the Budget Review Committee together because it was felt that the committee did not add value to the process. Data also indicated that decision-makers in College Y were influenced by Ministry policies. Decreased public funding had influenced the decision by the president to increase enrolment levels so as to increase the college’s share of Ministry funding which was allocated to the colleges through an enrolment-based funding formula.
### Table 7.2 A
Factors Leading to the Implementation of Decision-Making Processes by College
With Illustrative Quotations.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Illustrations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Relationship between plan and budget</strong></td>
<td></td>
</tr>
<tr>
<td>College X</td>
<td>&quot;We want to do it the right way and have the plan drive resource allocation of the budget.&quot;</td>
</tr>
<tr>
<td>College Y</td>
<td>&quot;Aside from a few priorities like we are going to do information technology, I don't think that priorities drive resource allocation. I think that resource allocation will ultimately tell you what our priorities are.&quot;</td>
</tr>
<tr>
<td>College Z</td>
<td>&quot;To find the best way to allocate the resources that we have.&quot;</td>
</tr>
<tr>
<td></td>
<td>&quot;To make the plan drive the budget.&quot;</td>
</tr>
<tr>
<td><strong>Accountability, Efficiency, Effectiveness</strong></td>
<td></td>
</tr>
<tr>
<td>College X</td>
<td>&quot;We are trying to achieve efficiency and accountability.&quot;</td>
</tr>
<tr>
<td>College Y</td>
<td>&quot;We have the academic framework, and then each school's supposed to produce something that feeds into the academic framework. But I think that's an exercise, and then they go ahead and do whatever they want to do, irrespective of what they have written down because there is no accounting for that.&quot;</td>
</tr>
<tr>
<td>College Z</td>
<td>&quot;We have to be accountable, so performance management training is necessary. The external community creates forces on us that tell us to do that.&quot;</td>
</tr>
<tr>
<td><strong>Centralization, Decentralization</strong></td>
<td></td>
</tr>
<tr>
<td>College X</td>
<td>&quot;There are some managers who are complaining that we have taken a step backwards, that we have disempowered them.&quot;</td>
</tr>
<tr>
<td>College Y</td>
<td>&quot;The model that we have here is what I call a silo model, so that different departments don't work together so they compete for resources.&quot;</td>
</tr>
<tr>
<td>College Z</td>
<td>&quot;College Z is a series of separate schools if you will that resist the attempt toward centralization. There is an encouragement toward autonomy as it is called in the positive and silo thinking if you refer to it in the negative.&quot;</td>
</tr>
<tr>
<td><strong>Flexibility</strong></td>
<td></td>
</tr>
<tr>
<td>College X</td>
<td>&quot;When I was on the Budget Review Committee, one year I asked the president why there was no long range planning, and the president replied that we like to be fluid.&quot;</td>
</tr>
<tr>
<td>College Y</td>
<td>&quot;It is democratic, collaborative, very fair because it is an open process.&quot;</td>
</tr>
<tr>
<td><strong>Democratic, Transparent, Collaborative, Participatory</strong></td>
<td></td>
</tr>
<tr>
<td>College X</td>
<td>&quot;it helps people to understand some of the collaboration that is necessary.&quot;</td>
</tr>
<tr>
<td>College Y</td>
<td>&quot;The process was initiated in the back rooms of the College Executive because the college really doesn't want public accountability.&quot;</td>
</tr>
<tr>
<td>College Z</td>
<td>&quot;It is democratic, collaborative, very fair because it is an open process.&quot;</td>
</tr>
<tr>
<td><strong>Culture and climate</strong></td>
<td></td>
</tr>
<tr>
<td>College X</td>
<td>&quot;We have to take the culture of the college into consideration, and also the need for balance in considering who will sit on the Resource Allocation Committee.&quot;</td>
</tr>
<tr>
<td>College Y</td>
<td>&quot;I think that they are trying to keep people happy. That was the previous's president's idea of a collegial institution that we didn't lose sight of the collegial environment.&quot;</td>
</tr>
</tbody>
</table>


Respondents from both Colleges Y and Z indicated that there was some competition for resources among the various departments or schools. In College Y, although a formula derived from Ministry criteria and negotiation formed the basis for allocation at the department or school level, respondents suggested that power and influence played a more significant role in decision-making. Since decision-making for resource allocation was not transparent, there was some ambiguity regarding how resources were allocated among departments and units. Consequently, there was some suspicion among stakeholders who believed that there was no accountability. In College Z this competition was between decentralized school heads and the central administration for influence and authority, as seen in a move toward greater centralization from senior management in order to allocate resources more efficiently and to cover the increasing costs of capital and technology. As previously mentioned this push toward greater centralization was being resisted at the school or department level as reflected in the desire of the school heads to play a greater role in deciding the distribution of resources at that level. In College X there was some evidence that suggested that the heads of some departments and areas felt that they had been constrained through the integration of the planning and budgeting processes, and had lost some of their autonomy. Some
internal stakeholders considered that participation was symbolic because faculty had no "statutory power at the decision-making level" (Dennison 1994:27)

7.2.1 Influences of internal stakeholders

Table 7.2 B outlines the influence of the various internal stakeholders in the decision-making process as perceived by interview subjects. All decisions were recommendations made to their Boards of Governors. However, data suggested that Boards of Governors generally approved recommendations made to them from the College Executive. In College X the Board of Governors played a more proactive role in decision-making than in Colleges Y and Z. For example, the Board of Governors had initiated the response to the 1995 cuts in government funding which led to the development of the integrated budgeting and planning management system which the college was using for decision-making.

In College X, the organizational structure was such that rules and regulations codified the functions of the various departments, and groups and individuals within those departments. Decision-making was supported by data and documentation which disseminated throughout the institution. As discussed in Chapter Four, senior administrators designed a system of goals such as survival, efficiency and growth and decision-making was directed toward the achievement of these goals. Here decisions were based on information which decision-makers believed allowed them to make rational choices to reach these goals. In College X the president's role was that of Chair of the Executive Committee. This committee of senior administrators directed the organization toward goals of survival, efficiency and growth. This type of organizational behaviour is described by Mintzberg (1983) as one in which the organization is dominated internally by senior administrators who direct the organization toward some system of goals. The organization is usually in pursuit of a mission with very formalized procedures. The Executive Committee with the president as its chief executive officer, and under the governance of the Board of Governors, specified the work to be done by various
subcommittees made up of employees and led by department heads. In this way leadership seemed to be diffused throughout the organization, and the president played the role of directive manager who would intervene if the situation merited intervention.

In College Y the president played a major role in decision-making. The president had initiated a business plan which had provided a set of guiding principles, goals and values by which the college was supposed to operate. The president had obtained input from various internal stakeholders by holding small, informal group discussions with them. A subsequent academic plan had incorporated these values and principles. In this college, the leadership style of the president was perceived to have greatly influenced decision-making. The president was trying to promote a culture of collegiality and there were no written rules as to how resource allocation policies would be determined. The approach to decision-making seemed to be based on informal arrangements and on imperfectly transmitted understanding of past and current customs. Departments seemed to operate without the knowledge of how their policies would affect other departments. This approach has much in common with the model of the organized anarchy (Cohen, March and Olsen, 1972), in which resources are allocated by whatever process emerges but without explicit accommodation and without explicit reference to some superimposed goals.

In College Z, the organizational structure for decision-making resembled the political model as described by Baldridge (1971). In such a system there is mutual interdependence, and no group is strong enough to totally dominate all the time. Subgroups try to dominate so that their preferences are reflected in the allocation of resources. In College Z decisions were made through a number of committees, made up of various internal stakeholders representing the various subgroups. Here, decision-making involved compromise and bargaining through the various committees. The various groups recognized their mutual interdependence but yet there was autonomy and competition for resources. Consequently, in conjunction with being Chair of the College Executive, the president would intervene in the decision-making process if there was an
impasse at the school or department level. Interview subjects suggested that this was more often the rule than the exception. Here, as pointed out by Tucker, (1981) leadership by the president was symbolic, with the leader serving the community. The president assisted in the decision-making process by taking action when necessary to implement decisions.

In the three colleges the college executive wielded a considerable amount of power and influence in the decision-making process, and determined the “off the top” revenues for central funding. The decisions made by other internal stakeholders were merely recommendations to the college executive who could override them. However, in Colleges X and Z data suggested that other decision-making committees could negotiate and bargain with the college executive. For example in college Z the Capital Committee which consisted of internal stakeholders from various subgroups was responsible for decision-making and resource allocation in relation to capital projects. The school heads also had some input regarding the amount of “off the top” revenues. In College X, the Resource Allocation Committee could negotiate the level of “off the top” revenues with the College Executive. Data indicated that this did not happen in College Y. In this case there were no committees and no established process thorough which this could take place. The Budget Review Committee was an information gathering body and had not met for the past two years.

The heads of the schools, departments and local areas in all cases made decisions regarding the allocation of resources after they had been allocated to the various departments. In College X this was done on the basis of a revenue-cost model. Each department had to determine the costs needed to cover its base core including fixed and capital costs. These budgets were based on achieving the goals outlined in the department’s operational plans, which were mandatory. Priorities had to be assigned to the various budget items, and the Resource Allocation Committee could reassign priorities if the committee deemed it necessary. Consequently some heads of departments felt that they had lost some of their power. The heads of some departments held open
sessions and invited faculty, support staff and students to take part in designing the department's operational plans. The budget was linked to these plans, so in these cases both planning and budgeting at the department level was transparent and participatory. However, one member of the Resource Allocation Committee stated that some heads of departments designed their operational plans and hence decided on their budget allocations without input from other stakeholders in the department. There were also cases where the department head would seek input only from the chairs and the coordinators. The outcome was that some plans were more comprehensive than others. Those plans and budgets that did not adhere to the criteria as determined by the Resource Allocation Committee were sent back to the department to be reviewed.

In College Y the College Executive used an enrollment-based formula to distribute resources among the schools. There was no mandatory department planning. When the heads of departments received their budget allocations they could distribute them within the department as they wished. Some departments made plans, but others did not. Some chairs in this college had budgets of their own, but others did not. Evidence showed that some department heads would invite input into planning and budgeting from chairs and coordinators. Because there was no planning, some Budget Review Committee members believed that power and influence determined the allocation of resources, and that there was some misplaced priorities resulting in inefficiency.

In College Z a committee of all the school heads and the budget chief used a "fair"distribution formula based on the level of enrollment activity in each school to determine the amount of resources each school or department should receive. When the school heads received their budgets they could allocate them within their departments as they wished. In some schools there was broad-based participation in the process, in others there was none. It was done from the top down. However, departments had to prepare strategic plans and link them with their budgets. This seemed to be more for informational purposes and for the funding of new projects. In this college the vice-president of finance and administration stated that he did not try to micro-manage.
Table 7.2 B
Role and Influences of Internal Stakeholders by College

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>College X</th>
<th>College Y</th>
<th>College Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Governors</td>
<td>Final authority for all decision-making</td>
<td>Final authority for all decision-making</td>
<td>Final authority for all decision-making</td>
</tr>
<tr>
<td>President</td>
<td>&quot;The president's role is the chair of the college Executive.&quot;</td>
<td>&quot;This college has grown significantly in the last five years and that really was a decision taken by the president, to increase our share of the grant. Ultimately it is the president who determines the enrolment policy&quot;</td>
<td>&quot;We allocate on your level of activity. Because of the competitive process where that falls apart is that somebody says: 'Well that's great, now I am going to have to do fifteen layoffs.' Then the president at that point may have to intervene and say: 'Fine we'll direct more money over there.' For the first time this year, the president nor the vice-president did not have to do that within the academic side of the house.&quot;</td>
</tr>
<tr>
<td>College Executive</td>
<td>&quot;One of the interesting things is that the Executive Committee takes big globs of money 'off the top' ahead of time, and the Resource Allocation Committee challenged them on that and we actually got them to withdraw part of their 'off the top' hold-backs.&quot;</td>
<td>&quot;It is the College Executive that is the president and the vice-presidents with support from the financial planning department. That's the group that makes the macro decisions of where some of the allocations would be made.&quot;</td>
<td>&quot;The President's Executive is the ultimate or the final authority in terms of the budget, everything feeds up to the President's Executive, but the budgets are primarily the vice-presidents.&quot;</td>
</tr>
<tr>
<td>Vice-presidents</td>
<td>&quot;Local areas and departments develop their own operational plans that are based on the college strategic plan.&quot;</td>
<td>&quot;Once the macro decisions have been made and the departments and the schools have an allocation then it's within the department and the school to work out the details of their budget and their priorities.&quot;</td>
<td>&quot;After it gets down to the various schools, then the dean with his/her administrators and their faculty, and each school would have a different model of how they develop their budgets.&quot;</td>
</tr>
<tr>
<td>Department or School</td>
<td>&quot;Among those 67 groups the range of how those plans were written ran the full gamut, from the supervisor who sat in his office, shut the door and wrote the plan himself; to a group, one group academic, that had an all day Saturday workshop and got two-thirds of the department to show up, and also some students.&quot;</td>
<td>&quot;There was very limited faculty participation in the budget process, and since there is not a Budget Review Committee, faculty participation is now nonexistent.&quot;</td>
<td>&quot;I know that in some schools it is broad-based, that a lot of people are involved in the budget process, and I suspect that in some schools it's done form the top.&quot;</td>
</tr>
<tr>
<td>Faculty and Support Staff</td>
<td>&quot;The former head of the Student Association is the only student leader that I can recall in recent years that had any kind of impact on what the college has done.&quot;</td>
<td>&quot;Students did not play any role, and as a matter of fact, one of the weaknesses in this, I would say, being as objective as I can, is that the process that we developed, that we need to involve more people.&quot;</td>
<td>&quot;Students did not play any role, and as a matter of fact, one of the weaknesses in this, I would say, being as objective as I can, is that the process that we developed, that we need to involve more people.&quot;</td>
</tr>
<tr>
<td>Students</td>
<td>See faculty and staff above.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Data suggested that faculty and support staff involvement in decision-making was varied but welcomed in both Colleges X and Z. This involvement could take either of two forms. In College Z it could be in the form of participation in one of the decision-making committees. This was especially true of the Capital and Renovations Committee and the Core Team Committee. In College X there was faculty representation on the Resource Allocation Committee. Also, in both Colleges X and Z faculty and support staff could be involved in developing department plans and budgets. Their participation depended on the leadership of the school or department. In some units a wide range of stakeholders took part in decision-making, and in others the head of the department made the decisions. In contrast in College Y, there is no evidence to suggest that faculty and support staff took part in decision-making related to resource allocation. There were faculty members on the Budget Review Committee, but it no longer met. However, because of the collegial/anarchic nature of the organization of this college, ideas could flow haphazardly from the faculty up through the organization to the decision-makers. There was some suspicion of the process because decision-making was not transparent and because most internal stakeholders were excluded from taking part. Also, decision-makers in the various departments were not cognizant of decisions made in other departments and decisions-making was segmented and inconsistent.

Students did not play a formal role in decision-making related to resource allocation at any of the three colleges. In College X, the circumstances were the same for students as for the faculty, students could attend budget and operational planning work groups if the head of the department decided to have a participatory process. In College Z there were no avenues for student involvement in the process. In College Y, again because of the collegial/anarchic nature of the organization, the head of the student association could be consulted on issues related to finances, if the president of the college felt that the input of the student association was necessary.
Only in College Z was there any reference made to a role played by advisory groups in the decision-making process. In this case the College's Academic Council could influence the College Executive's decision-making process. The Council would receive comprehensive planning documents and all the information regarding priority setting and could make recommendations to the president. It was really involved at the end of the process, either in accepting or rejecting aspects of plans rather than being engaged in setting priorities. In College X and College Y some respondents suggested that the academic councils did not play any direct role in resource allocation decision-making. They saw the council solely as an academic advising body, and did not see it as relevant to decision-making in relation to resource allocation.

7.2.2 influences of external stakeholders

Table 7.2 illustrates the influence of various external stakeholders in the decision-making process related to resource allocation as perceived by the individuals interviewed for this study. Government funding and Ministry policies were given as some of the most important influences in all cases. This was the case also in College Y where leadership was given as an important influence on decision-making. In College X, data suggested that the 1995 cut in government funding had been the catalyst for the implementation of the new decision-making process which the college had implemented. In College Z, data suggested that the process was an evolving one, but that the general decline in public funding had necessitated some changes to the procedures. For example, the heads of the academic schools had requested that they play a greater role in decisions made at the school level to distribute resources because of decreased funding. Also, the Planning Department had implemented the procedure to link strategic plans and budgets at the school and/or department level in response to the budget cuts. Both Colleges Y and Z used allocation models based on criteria designed by the Ministry. In all cases, the colleges had to follow policy directives and guidelines from both the Ministry and the COR, but neither of these organizations directed college decision-makers on how to allocate their resources. Data suggested that decision-makers saw the two collective agreements, one between the COR and college faculty and the other between the COR
and the support staff workers, as constraints on decision-making related to resource allocation. Decision-makers wanted more flexibility in allocating and hiring teaching resources and felt constrained by the standard workload formula that was part of the collective agreement between the COR and the faculty.

Data indicated that private corporations, while not playing any role in decision-making in the colleges, influenced college decision-making in two distinct ways. First, the colleges had links with various private corporations through partnerships. The colleges saw their mission as providing career on-the-job training education, and as such labour market trends greatly influenced the type of programs that they offered. Second, the leadership in College X had adopted the values and language of the business organizations because it wanted to emulate the success of private industry. College X had also established a foundation designed to encourage links with the corporate community. Decision-makers in Colleges Z and College Y were less inclined to use the language of the market in their decision-making, but data suggested that they were also greatly influenced by market trends. For example, College Y closed civil engineering and architecture departments and opened a call center. The president did not want to engage in too much formal planning because this might have prevented the college from responding to market changes. One of College Z's goals was market responsiveness. In fact data strongly suggested that decision-makers believed that the colleges were under pressures to adapt to external economic changes in order to survive.

External technological changes also played a significant role in decision-making in the three colleges. Decision-makers in College X saw technology as a money saving alternate "delivery mode" which could be substituted to deliver the curriculum instead of teachers. They viewed restructuring of education to accommodate this "delivery option" as one of the key trends to be considered in designing operational plans. The College Executive Committee in College Y had three major priorities at the college wide level when making decisions to allocate resources: namely, how much should be allocated to information technology, to physical resources, and to the academic sector?
Table 7.2 C
Role and Influence of External Stakeholders by College

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>College X</th>
<th>College Y</th>
<th>College Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government funding and other MET policies and regulation</td>
<td>“This is a new process that we are trying this year. This is in response to government cutbacks.”</td>
<td>“We use a formula because it recognizes differences in delivery costs because they are very real and that's how we are funded by the MET.”</td>
<td>“In response to the MET and to pressure brought on by the budget cuts.”</td>
</tr>
<tr>
<td>The Council of Regents</td>
<td>“As publicly funded institutions we have to follow policy guidelines from the MET and the COR, but they do not tell us how to allocate our resources.”</td>
<td>The Council of Regents does not have any important directives that the colleges have to follow</td>
<td>“the Council of Regents is involved in negotiating the collective agreements.”</td>
</tr>
<tr>
<td>Collective Agreement</td>
<td>“There are two important things which we have to consider. These are faculty contracts and pay equity.”</td>
<td>“There is not a lot of discretion in college operating budgets. The amount of discretionary spending is relatively limited because such a large percentage of the budget goes to cover the collective agreement.”</td>
<td>“It is true that people like me often forget that when we get this money, that it is money that is directed to the operation of the program not to something else. Because it is for benefits for the staff under the collective agreement that are in that program.”</td>
</tr>
<tr>
<td>Private Corporations</td>
<td>“Businesses have got to be efficient, they have to look at their revenue and their cost. We have to do the same. We can no longer fund those programs that can’t cover their costs.”</td>
<td>“We do have links with various private sector organizations, but they are not involved in the process.”</td>
<td>“We make decisions on a large part on the basis of private business and industry. We are set up in such a way that a lot of our allocations would be based on what we would get from the private sector and we gear our programs to reflect that, as we are trying to become more market driven.”</td>
</tr>
<tr>
<td>The Economy and Politics</td>
<td>“Students will vote with their feet if they think a course is too difficult, or if they believe that there are no jobs prospects from a particular program.”</td>
<td>“It recognizes that the college needs to respond to the labour market quickly and so it needs to bring new programs on quickly and review curriculum on an ongoing basis is another value in there that does have budgetary implications.”</td>
<td>“This transformation project that we are doing in the college, the project is trying to predict and get ourselves established so that we will be able to adapt to the political and economic changes over the next few years.”</td>
</tr>
<tr>
<td>Technological changes</td>
<td>“We are trying to keep on top of technological changes.”</td>
<td>“If certain departments, largely in the academic sector, want to bring on new programs, bring in new centres, especially because of changes in technology, and they may need money to support such initiatives.”</td>
<td>“The marketplace itself determines a lot of these priorities, the information age, information technology, obviously influence what our priorities are in terms of curriculum and delivery.”</td>
</tr>
</tbody>
</table>
Decision-makers in College Z, believing that there was a need to obtain a consensus to centralize its information technology infrastructure, had established an Information Technology Committee to act as a clearing house for all technological infrastructure projects. The role of this committee was to manage all information technology resources in the college, and to explore emerging opportunities so as to estimate the required resources. In College Y some faculty complained that resources were being reallocated from other area to e-commerce without any discussion as to how this would affect those areas that were losing resources and whether this was the most efficient use of those resources.

7.3 Question #3: How were teaching and learning considered within the decision-making process for allocating resources?

This question is explored by examining the following three areas. (1) What attempts, if any, were made by each college to incorporate concepts of program quality into resource allocation decision-making? (2) How did each college discuss teaching and learning in relation to resource allocation decision-making? (3) Which units in the college benefitted from resource allocation decisions? These questions are now discussed below and compared in the three colleges.

7.3.1 Discussion of program quality within the resource allocation decision-making process

Table 7.3 A illustrates some of the interview responses which linked program quality to resource allocation. The colleges listed program quality as one of their goals in their mission statements. In all instances quality was defined in terms of “fitness for purpose” and “excellence.” College X made the greatest effort to link its concept of program quality to resource allocation decisions. In designing their budgets to cover their operational plans, departments and units were asked to ensure that their costs covered their core business requirements. These were the instructional processes for a base enrollment level and all associated expenses for line items which were required to deliver the core business in an effective and high quality manner. It was the responsibility of each
department to attempt to define minimum level of quality in connection to its core functions.

In College Y, employment stability of faculty was one of the college’s goals and resources were allocated to maintain employment stability which was considered necessary to boost morale and to improve program quality. There was also an increase in funds allocated for professional development. However, there was the perception that the hiring of a high number of part-time faculty to replace full-time faculty, who had retired or had accepted early retirement packages, had also contributed to some deterioration in program quality.

In College Z data showed that one of the College’s goals was to obtain optimum funding to maintain a quality curriculum. But there were no clear guidelines of what the optimum level of funding was or how this would be determined. Departments were asked to link their plans with the college’s priorities and goals, one of which was quality education. In their plans, departments also had to quantify the level of resources needed to achieve the plan’s objective; and to identify whether new resources would be needed or existing resources would be redeployed.

In the three colleges there were numerous references to accountability, effectiveness and efficiency in relation to program quality. As discussed in Chapter Four, three categories of accountability are relevant to community colleges: teaching accountability, learning accountability and administrative accountability (Hüfner, 1991). Teaching accountability involves regular reviews of courses and programs and the quality and quantity of teaching resources, staff development and appraisal, and student and employer satisfaction (Sizer, 1992). Teaching and learning accountability are usually achieved through program review which was done in all three colleges. Also, all colleges used accreditation of courses and programs by other post-secondary institutions and industry as a quality measure.
In College X if the college goals of quality education, financial viability and employment stability were achieved then quality was considered to have been demonstrated. In its program review process the college used performance indicators, based on Ministry indicators introduced in 1996-1997, of student satisfaction, graduate satisfaction, graduate placement and employer satisfaction to measure quality and to determine teaching and learning accountability. These are consistent with some of Cameron's nine scales of institutional effectiveness as discussed in Chapter Four.

In College Y there were many references to accountability to learners, to the community, and to the public for quality learning experiences and for the resources used
to achieve quality work. In College Y, quality was operationally defined in terms of maintaining programs which were relevant and current, which had high retention rates and which had achieved some reputation in terms of graduate placement rates, student satisfaction and employer satisfaction rates. In College X, program review was used to assess learning and teaching accountability as was done in College Y. As in the other two cases, in College Z program quality was demonstrated through graduate rates, student feedback on courses and faculty, graduation rates and also the number of applications received annually. College Z also had an ongoing project investigating measures of program quality. This college also assessed teaching and learning accountability through program review.

Administrative accountability involves fiscal accountability as well as the responsibility of management for the development and implementation of policy and/or management of affairs and resources to demonstrate not only propriety but also how economic, efficient and effective those policies and/or management have been over a period of time (Sizer, 1992). To ensure administrative accountability in College X, each department had to submit midyear and year-end progress reports on their operational plans which were linked to their budgets. In College Y, fiscal accountability was not included in evaluation of program quality. There is no evidence to suggest how administrative accountability was demonstrated or achieved, and some respondents believed that there was no accountability. As previously mentioned, this led to a climate of suspicion and segmented decision-making. As with College X, College Z also linked quality to fiscal accountability. In College Z administrative accountability was evaluated on the basis of whether the department was operating within its allocated budget. Sizer (1992) advocates the use of progress reports by management to demonstrate administrative accountability. These reports would show how management developed and implemented policies and managed affairs and resources. This would provide a measure of administrative accountability. Only in College X did data show that this was done.
7.3.2 Discussion of teaching and learning within the resource allocation decision-making process

In College X, teaching and learning were seen as two separate processes. Data suggested that decision-makers considered the college to be a learning-centered institution in which human-centered teaching could be replaced with some form of technological "delivery mode." The College's goal was to find the most effective and least costly method of achieving quality learning combined with financial viability. In contrast, in College Y decision-makers considered learning and teaching to be central to the college's activities. They saw technology as necessary to enhance learning and teaching and other college services. Resources were allocated to establish an instructional development unit to assist the faculty and staff with curriculum development, distance education and the use of technology. In College Z, declining government financing had precipitated a movement by decision-makers toward adopting the view that teaching and learning could be viewed as separate processes. This had come about because of the search for alternate sources of revenue. This preoccupation with funding alternatives had created the perception that teaching and learning were no longer the central focus of the institution. This had been demoralizing to the faculty. When decision-makers realized that this was happening they made an effort to reaffirm teaching and learning as the central focus of the college. For example, the topics at a yearly symposium on teaching and learning had shifted to discussions about funding and finding alternate sources of revenue. When decision-makers realized that this had happened, they made a deliberate effort to return the conference to its original purpose of discussing teaching and learning.

In College X the language of the market was repeatedly used to discuss teaching and learning. The college was referred to as a "service provider"; students were considered to be "clients" and "customers," teachers as an "expense" and an alternate "delivery mode," and there were discussions about "retooling" the college. In College Y this shift in vocabulary did not seem to occur and decision-makers did not use the language of the market to describe or to discuss teaching and learning. As previously mentioned, in College Z there were debates regarding whether the students were clients
and customers. As in College Y decision-makers did not use the language of the market to discuss students and teaching and learning; however, as in College X resource allocation decisions were greatly influenced by market forces as previously pointed out.

Table 7.3 B

<table>
<thead>
<tr>
<th>Teaching and learning as an integrated process</th>
<th>College X</th>
<th>College Y</th>
<th>College Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>No references made to 'teaching and learning.'</td>
<td>&quot;Learning and teaching are our core activities. Every action and every dollar spent must reflect and support this value.&quot;</td>
<td>&quot;We needed to reaffirm that commitment to teaching and learning. We have done that in ways that have a budgetary impact, in others that don't.&quot;</td>
<td></td>
</tr>
<tr>
<td>Institution seen as 'learner-centered' institution</td>
<td>&quot;To achieve student success it was necessary to find &quot;the most effective learning modes.&quot;&quot;</td>
<td>&quot;We optimize the use of technology whenever it enhances learning and teaching and improves the quality of our services and business.&quot;</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Teaching seen as an alternate delivery option to technology</th>
<th>College X</th>
<th>College Y</th>
<th>College Z</th>
</tr>
</thead>
</table>
| To achieve student success it was necessary to find "the most effective learning modes." | "We optimize the use of technology whenever it enhances learning and teaching and improves the quality of our services and business." | "But I think that a good number of people have moved over to the notion that we need to focus on learning, and not only enhancing learning but offering multiple ways of providing learning for students."

<table>
<thead>
<tr>
<th>Use of language of the market to discuss teaching and learning</th>
<th>College X</th>
<th>College Y</th>
<th>College Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>College was referred to as a &quot;service provider.&quot;</td>
<td>&quot;I think triggered by the budget cuts which then caused people to look at diversified revenue, partnerships and all those other ways of making money, focus on customer service. That whole debate about whether the students are clients and customers.&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Students were referred to as &quot;customers and clients.&quot;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teachers were referred to as an &quot;expense.&quot;</td>
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<td></td>
<td></td>
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<tr>
<td>Changes being made in &quot;delivery options&quot; were discussed as &quot;retooling&quot; the college</td>
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</tbody>
</table>

7.3.3 Resource shifts between units and departments

As illustrated in Table 7.3 C, during the period from 1994-1995 to 1998-1999 there was some restructuring and reorganization of schools and departments in the three colleges. The colleges consolidated their campus facilities, terminated some programs and reorganized and merged some of their faculties and departments. College X and Y decentralized the teaching of General Education. In the three colleges this area seemed to be the most adversely affected. This was in keeping with the decision that programs
had to be able to cover their costs in order to be viable; and that the colleges should offer more market driven programs. Also, in all three colleges information technology units benefitted significantly from resource shifts. In Colleges Y and Z there was growing concern among respondents that resources were being shifted to this area without any discussion as to the effects that this decision could have on other areas of the colleges. Data suggested that these resources were being channeled through central funding from the “off the top” revenues and were therefore being redistributed from other areas to which they would have been allocated based on enrollment activity funding. There seemed to be less concern about this in College X. However, it should be noted that during this period College X built a new building for the School of Computer Studies.

There was also a shift of resources from the hiring of permanent full-time faculty to the hiring of temporary faculty, which included part-time, sessional and partial load faculty. In College X the number of full-time faculty decreased by 13 percent and the number of sessional faculty decreased by 34 percent. On the other hand, the number of part-time faculty increased by 34 percent and partial-load also rose by 85 percent. During the same period, full-time post-secondary enrolment levels rose by about ten percent, while part-time enrolment decreased by about 11 percent. This indicated that part-time faculty were being hired to accommodate the increase in full-time enrollment, and that there could be some contradiction between their goals of simultaneously achieving efficiency and quality education.

A similar shift occurred in College Y, where permanent full-time faculty decreased by 11 percent, and the number of temporary faculty, that is, part-time faculty and sessional faculty hired increased by 22 percent and 90 percent respectively. Sessional faculty taught only full-time post-secondary students and so were hired to accommodate the increase in full-time enrolment levels which rose by about 40 percent. This was accompanied by an increase in part-time enrolment levels by about 80 percent. College Y had the fastest growth rates in both full-time post-secondary and part-time enrolment levels in the three colleges.
<table>
<thead>
<tr>
<th>1994/95 to 1998/99</th>
<th>College X</th>
<th>College Y</th>
<th>College Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departments, schools and units</td>
<td>To: School of Technology and The School of Business</td>
<td>To: the Schools of Communication Arts, and Business (Information Technology programs)</td>
<td>To: Schools of Information Technology and Accounting, Health Sciences and Social and Community Services</td>
</tr>
<tr>
<td></td>
<td>From: Schools of General Education, Applied Arts and Health Sciences and Applied Science and Engineering Technology</td>
<td>From: the Schools of Academic Studies, Applied Arts and Health Sciences and Engineering Technology</td>
<td>From: Schools of the Built Environment, Media Studies, Hospitality, Recreation and Tourism, Liberal Arts and Sciences, Manufacturing Technology and Design, and Performing Arts</td>
</tr>
<tr>
<td>Restructuring</td>
<td>Consolidation of campus facilities</td>
<td>Consolidation of campus facilities</td>
<td>Consolidation of campus facilities</td>
</tr>
<tr>
<td>Reorganization</td>
<td>Termination of some programs</td>
<td>Termination of some programs</td>
<td>Termination of some programs</td>
</tr>
<tr>
<td>Rationalization</td>
<td>Reorganization of some faculties and departments</td>
<td>Reorganization of some faculties and departments</td>
<td>Reorganization of some faculties and departments</td>
</tr>
<tr>
<td>Full-time faculty</td>
<td>decreased 13%</td>
<td>decreased 12%</td>
<td>decreased 20%</td>
</tr>
<tr>
<td>Sessional Faculty</td>
<td>decreased 34%</td>
<td>increased 90%</td>
<td>decreased 30%</td>
</tr>
<tr>
<td>Partial Load Faculty</td>
<td>increased 85%</td>
<td>decreased 43%</td>
<td>decreased 30%</td>
</tr>
<tr>
<td>Part-time Faculty (credit courses)</td>
<td>increased 34%</td>
<td>increased 22%</td>
<td>increased 10%</td>
</tr>
<tr>
<td>Exploring more diversified revenue sources</td>
<td>Offering more full fee for service programs</td>
<td>Offering more full fee for service programs</td>
<td>Offering more full fee for service programs</td>
</tr>
<tr>
<td></td>
<td>Increased tuition and ancillary fees</td>
<td>Increased tuition and ancillary fees</td>
<td>Increased tuition and ancillary fees</td>
</tr>
<tr>
<td></td>
<td>Offering more programs with strong market value</td>
<td>Offering more programs with strong market value</td>
<td>Offering more programs with strong market value</td>
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In College Z the number of full-time faculty decreased by about 20 percent, while the number of part-time faculty increased about ten percent. The number of sessional and partial load faculty also decreased by about 30 percent each. It is interesting to note, that in this college, the level of full-time post-secondary students decreased slightly by about two percent, and the level of part-time students fell also by about ten percent.

The colleges shifted more resources into expanding areas such as offering more full fee for service programs, more programs with strong market value, more instruction using technological methods such as the Internet, and distance education. They also channeled resources into the recruitment of international students, and became more involved in pursuing grant development and other avenues for economic development. College X established a foundation specifically for this purpose. The colleges strengthened their efforts to increase partnerships and linkages with private corporations, and to increase their participation in consortia with other education providers. Decision-makers considered these two strategies as ways of making their programs and courses more attractive to potential students. The colleges channeled resources from teaching and learning into finding additional sources of financing because of reduced public financing. By the end of 1999 they had all established economic development departments or established foundations to solicit private sector funds.

7.4 Parallels with the literature:

As discussed in Chapter Three, in order to help develop the conceptual framework for this study some propositions based on a review of the literature helped to direct attention to the areas that were examined in this study. These propositions are used as a basis for analysis. This section discusses these propositions in relation to the findings.

Proposition #1: A governance structure which allows for a transparent and participatory decision-making process for resource allocation will contain an accountability component.
In College X decision-making relating to resource allocation was highly centralized through the Resource Allocation Committee and the Planning Office. Departments based their operational plans on the college wide strategic plan. Individual input into these operational plans came in the form of action plans through unit teams. These teams used focus groups, websites and workshops as the media through which individuals could make their input. Respondents did note that in a few cases unit heads would develop plans without wide input from other stakeholders. Each work group had to develop its budget based on their operational plans. Deans and vice-presidents reviewed the operation plans and budgets before they were sent to the Resource Allocation Committee for approval.

In College X decision-making processes were transparent and participatory and there were procedures for administrative accountability. College X used cost-center budgeting. Lasher and Greene (1993) consider this approach to budgeting as one in which each academic department and support unit is seen as a cost centre for fiscal purposes. Decision-makers expect each department to be self supporting. That is, each cost center's projected expenditures had to be supported by sufficient revenues raised by that center. If revenues fell short of expenditures then the unit is expected to scale back its expenditures. This type of budgeting according to Orwig and Cartuhers (1979) grew out of the accountability movement, and as noted by Massey (1996) is based on the notion of total quality management. Sizer (1992) sees this type of fiscal responsibility in which management demonstrates how economic, efficient and effective policies are as administrative accountability.

In College Y decision-making for resource allocation tended to be less centralized than in College X. Data suggested that resource were allocated to the departments on the basis of power and influence and that there was fierce competition for resources. One respondent referred to this as a silo model of resource allocation. Departments did not have to make plans on which to base their budget allocations. Data showed that when departments received their budget allocations, there might be some discussion with chairs and coordinators about allocations. However, this varied from department to department
and depended on the leadership of the school or department. Data suggested that decision-making was murky and that there were differences in resource allocation procedures and policies in the various departments because there were no clear written guidelines. In some departments chairs had budgets, in others they did not. Some department made plans, but others did not. Also department heads knew little about what other departments were doing, so that decision-making tended not to be coordinated and to be segmented.

In College Y, the process was less transparent. Respondents did not believe that there was administrative accountability. In fact, some respondents considered the process to be murky and without clear guidelines. Data showed that historically, resource allocation decisions had been made by the College Executive without any input from other internal stakeholders. However, resources were allocated to departments on the basis of a formula based on Ministry criteria. As previously mentioned College Y did not have a planning department as was the case with the other two colleges. There was a college wide academic plan but planning was not mandatory at the department or unit level. There was a budget review committee, but it had ceased to function because management felt that it had not been producing value; and the faculty members on the committee felt that management did not want to be accountable. However, the committee had no real decision-making powers, and was more of an information gathering body. Data suggested that when committee members tried to reform the committee to make the process more participatory and transparent that the committee was dissolved.

In College Z, traditionally departments or schools had seen themselves as autonomous organizations, and there was some resistance to centralized planning in relation to resources. Here the school heads played a more prominent role in allocating resources among the various departments, and resource allocation decisions were less centralized. A committee of school heads and the budget director met to decide how resources should be allocated among the academic schools. When departments received their budgets, they were expected to allocate them based on their strategic plans. However, respondents noted that once the school heads received their budget
allocations, it was really up to the school heads to decide how to allocate them. Data suggested that there was a swing between centralization and decentralization of decision-making.

In College Z, the process was less participatory and transparent than in College X, but more so than in College Y. Decision-making was done through a number of committees made up of various internal stakeholders, including faculty and support staff. Massy (1996) sees this type of participatory decision-making as decentralizing efficiency improvements to the individual worker level; however, he cautions that broadening the base of participation takes longer and requires a different type of leadership than top-down leadership. In College Z revenue was allocated on the basis of a formula based on the Ministry and other criteria. This was determined by the school heads and the budget chief. Departments and units had to present to the planning office two year strategic plans linked to their budgets. This represented some measure of administrative accountability.

Proposition #2: During periods of fiscal constraint decision-makers will try to use rational choice procedures to develop policies. This includes formal planning which directly links planning with budgeting.

There was always some form of planning going on in the three colleges. However, after the budget cuts in 1995 Colleges X and Z moved to more rational planning models and to directly link their planning with budgeting. This did not happen in College Y. College Y had actually disbanded its Planning Office prior to the budget cuts of 1995. According to respondents, the president did not think that it was very effective. However, College Y did have a planning document referred to as both a strategic plan and as an academic plan. In College X there was college wide strategic planning and mandatory operational planning at the department and unit level. In College Z, there were college wide plans and the departments had to develop strategic plans. Theoretically, these all involve rational choice procedures. According to Allison (1971) a rational choice process involves: (1) establishing organizational goals and objectives, (2) searching for alternative actions, (3) assessing the consequences, or outcomes attached to each alternative, and
(4) selecting the "right" alternative. Evidence did not suggest that there was a search for alternate actions or that there was any assessment of the outcomes of each alternate action taken when plans were developed. In College X there was an evaluation process to monitor and to recommend plans that would improve the overall level of service provided by the college. This was done through the Resource Allocation Committee and the Planning Office. College Z measured outcomes through accreditation. In fact, all three colleges used accreditation, program rationalization and program review as ways of measuring outcomes.

College Y did not try to directly link planning and budgeting as the other two colleges did. Schmidtlein (1990), Schmidtlein and Milton (1989), Orwig and Caruthers (1979), Schick (1971) among others point out that linking plans to budgets is problematic. This is especially true of strategic planning which provides a broad vision of the future direction of the institution, while budgeting deals with specific priorities of the goods and services an institution should request. College Y referred to its planning document as a strategic plan, although some respondents did not believe that it contained the elements of a strategic plan. However, respondents agreed that it was not the type of document on which one could make resource allocation decisions. College Z was attempting to link its planning and budgeting at the department or unit level, through the development of department strategic plans. However, this was being resisted by the schools, which saw this as a move toward centralization of resource allocation decisions and a threat to their autonomy. College X on the other hand, had directly linked all department operational plans to its college wide strategic plan, and all department budgets to their operational plans. Decision-makers in Colleges X and Z seemed to respond as predicted in the literature more so than in College Y in terms of using rational choice procedures and linking planning with budgeting in times of resource scarcity. In College Y the president wanted to be flexible to adjust to situational changes.
Proposition #3: During periods of fiscal restraint there is increased competition among various departments for scarce resources. As a result, the president becomes more of an independent actor than an agent of the faculty.

Birnbaum (1989) sees the collegial model of higher education as one in which the faculty sees the president as its agent rather than an independent actor. Members of the administration and the faculty consider each other as equals and all have the right and opportunity for discussion and influence as issues come up. However, in the CAATs the governance structure is such that the influence of the professorate in decision-making is circumscribed. Any decisions made are subjected to the approval of the College Executive and ultimately the approval of the Boards of Governors. The president was not the agent of the faculty in any of the three colleges. However, data indicated that the three presidents exhibited different leadership styles.

The literature on organizational behaviour categorizes leaders as either transformational or transactional. Transformational leaders provide individualized consideration and intellectual stimulation and possess charisma, and are sometimes referred to as charismatic leaders (Kanungo, 1998). The charismatic leader “critically examines the status quo with a view to developing and articulating future strategic goals or a vision for the organization and then leading the organizational members to achieve these goals through empowering strategies” (Kanungo, 1998:78). Transactional leaders motivate their followers in the direction of established goals by clarifying role and task requirements. Transactional theories of leadership include trait theories, behavioural theories and contingency theories.

Trait theories identified traits which are consistently associated with leadership (Kirkpatrick and Locke, 1991; Yukl and Van Fleet, 1992). Behavioural theories of leadership try to answer the question: How do effective leaders behave? A study done at Ohio State University defined two dimensions by which leaders can be characterized. These are 1) initiating structure and 2) consideration. Initiating structure refers to the extent to which the leader is likely to define and structure his or her roles and those of
subordinates in order to reach the goals of the organization. Consideration is the extent to which the leader is likely to have job relationships characterized by mutual trust, respect for employees' ideas, and regard for their feelings (Schriesheim, Cogliser, and Neider, 1995: 111-145). In another study at the University of Michigan researchers also developed two dimensions of leadership behaviour that they labelled employee oriented and production oriented. Employee-oriented leaders emphasized interpersonal relations and production-oriented leaders emphasized technical or task aspects of the job (Kahn and Katz, 1960).

Situational or contingency theories try to isolate critical situational factors that affect the effectiveness of leadership. In his contingency model of leadership, Fielder (1967) proposes that effective group performance depends on the appropriate match between leadership style and the degree to which the situation gives control to the leader. There are three dimensions that can define the situation a leader faces. These dimensions are leader-member relations, task structure and position power. Evans (1970) and House (1974), developed the path-goal theory of leadership. These researchers propose that employees accept a leader's behaviour in so far as they view it as a source of either immediate or future satisfaction. Evans and House identify four types of leadership behaviour. The directive leader lets followers know what is expected of them, schedules work to be done and gives specific guidance as to how to accomplish tasks. The supportive leader is friendly and shows concern for the needs of followers. The participative leader consults with followers and uses their suggestions before making a decision. The achievement-oriented leader sets challenging goals and expects followers to perform at their highest level. In this model leaders are assumed to be flexible and can display any or all of these behavioural characteristics depending on the situation.

Data suggested that the presidents in the three colleges were transactional leaders. In College X and Z, the presidents' style seemed to fit that of the directive leader. Decision-making was made through a series of committees and there were clear rules for committee members to follow. In College X, respondents never
specifically mentioned the president in relation to resource allocation decision-making. They spoke of leadership in terms of “we” and the “committee,” and were focused on their specific tasks and production efficiency. This gave the impression that they considered leadership to be diffused throughout the organization. The committee structure for decision-making was designed to portray this. In this case leadership seemed to be directive and production oriented. In College Z, the president intervened only when necessarily. Decision-making was left up to committees. This type of transactional leadership is referred to by Bass (1990) as passive management by exception.

In College Y data suggested that the president was trying to encourage a climate of collegiality to replace an acrimonious culture which had existed with the previous administration. Consequently, the president played a prominent role as an individual in decision-making. The president had decided to increase enrolment in order to increase the college’s share of the provincial revenues so as to eliminate the budget deficits. The president disbanded the planning office because the president felt that it was ineffective, and the president wanted to be flexible. After consultation with employees, the president developed a business plan, which became a basis for the academic plan. The president developed the college’s guiding principles and values. The president believed in leadership through building relationships, and fit the category of the employee-oriented leader. However, some respondents believed that this leadership style had resulted in murky and inconsistent decision-making, and that the resource allocation decision-making process was not transparent.

Some researchers such as Cohen and March, (1974) also see leadership as symbolic. They view organizations as systems of belief and perception in which reality is invented. Leaders manage the organizational culture. In this type of system, as Birnbaum (1989) notes, leadership may be more symbolic than real as the nature of colleges and universities may make the management of culture difficult and probably impossible. Presidents may have relatively little influence over outcomes when compared with other variables that affect organizational functioning. Kerr and Jermier
have also shown that in many situations a leader's actions may be irrelevant. Individual, job and organizational variables can act as substitutes for leadership or neutralize the leader's ability to influence. This may be more so in institutions of higher learning where employees have appropriate experience, training or "professional" orientation. College employees with an internal locus of control will be most satisfied with participative style of management. Hence in College Y, faculty felt that they had been left out of the decision-making process. In the case of College X organizational characteristics such as explicit formalized goals, rigid rules and procedures neutralized the formal leadership of the president. In College Z, cohesive work groups such as the committee of school heads also seemed to work to diffuse formal leadership of the president. In none of the three cases can it be argued that the president was the agent of the faculty. Nor was the president an independent actor in either College X or College Z. In College Y the leadership style of the president seemed to be more that of an independent actor.

Pfeffer, (1977) has shown that leaders exist in a social system that constrains their behaviour. There are pressures to conform to the expectations of various internal stakeholders. Organizational rules and procedures and tradition limit unilateral control over decisions and resources. This is especially true in the CAATs where resource allocation decisions are greatly influenced by the collective agreement and by previous budget precedents. In two cases, Colleges X and College Z, employee empowerment and involvement through the decision-making committees contributed to reducing the influence of individual leadership. In all three colleges there were factors outside the college which decision-makers could not control and which greatly influenced organizational performance. In the Ontario CAATs, a leader may react to problems as they arise or may attempt to forecast and anticipate external changes, but has little influence over the external environment especially as it relates to funding. The environment puts significant limits and constraints on the leader. This in turn greatly affected the decisions-making process to allocate resources internally.
Proposition # 4: Institutional factors which influence resource allocation decision-making include: mission and type of mission statement, tradition, and legal history. The character of the student body, student/faculty ratios and the financial health of the institution, influence and are also influenced by resource allocation.

Tierney (1981) notes that resources are allocated to departments on the basis that they account for their role in fulfilling the goals of the institution, that is, carrying out its mission. An institution receives strategic direction from its mission, and the institution will establish goals and objectives in order to achieve its mission. In College X departments had to develop their operational plans within the context of the college’s strategic plan and link them to their budgets. In College X resources were allocated to departments on the basis that they cover all their costs, while maintaining quality. This was one of the goals of the college. In College Z departments and units developed their plans within the framework of college wide goals and priorities. These also had to be linked to the department's budget. In College Y it was less obvious whether there was any determination of how a department fulfilled the goals of the institution as department plans were not mandatory. Respondents noted that the president wanted flexibility and felt that too much planning would not allow this. In College Z and Y resources were allocated to departments through an enrolment-based activity formula. In College Z two of the goals were to develop a more diverse revenue base and market responsiveness. Those areas in the college which were able to offer more full fee for service programs or to increase the number of international students would receive additional resources to commensurate with the achievement of these goals. This was also the case in College Y where enrolment growth was one of the goals of the college. If a department was able to acquire additional revenues through increased enrollment or partnerships with corporations then the department would benefit financially.

Efficiency was one of the major goals of College X. The college sought new learning-centered modes of delivery, which were considered to be more efficient in delivering learning, as alternatives to teachers. Since the greatest amount of growth was in those programs dealing with the new technologies, resources were shifted to
these areas. This shift also took place in Colleges Y and X. As noted by Hackman (1985), these programs had both environmental power (the ability to acquire external resources for the institution through partnerships with private corporations), and institutional power (the ability to increase enrolment levels).

The character of the student body is partially prescribed by an institution's mission through its admission standards (Lasher and Greene, 1993). Data suggested that College Z had a more selective admission's policy than either College X or College Y. College Y, for example, had made a decision to dramatically increase the size of its student body, consequently, admission standards were lowered. The college marketed itself as an access college. This would imply some modification in the mission of the college. However, there is no data to suggest that additional resources were allocated to accommodate the changing demographics this change in admission standards implied. Lasher and Greene (1993) note that the mission dictates the curricula and therefore influences the instructional budget. Both Colleges X and Z sought to seek more international students in order to increase their revenues and to diversify their revenue sources. However, College Z placed a cap on the number of international students it was willing to take because it did not want to become too dependent on foreign sources of revenue. Also, the college felt that it did not want to significantly alter the balance between national and international students as this would alter its mission to provide vocational education to workers for the national and local economies.

The financial health of the institutions also played a role in influencing resource allocation decision-making. All the colleges were financially stable by the end of 1996, but College Z was the only one of the institutions which did not run budget deficits between 1994 and 1998. In College Y, the decision to increase the size of the student body was made so that the college could increase its share of the provincial operating grant and eliminate its deficits. Consequently, enrolment increased by 37 percent between 1993 and 1998. In College X, the decision was made to vigorously pursue alternate sources of revenue and to establish a foundation to do this. In order to be cost
efficient decision-makers in both Colleges X and Z searched for the "right" way, the "best" way, and a "fair" distribution model, which involved having "the plan drive the budget." In College X, departments had to ensure that their revenues covered all their cost while maintaining an optimum or minimum level of quality. In College Y, decision-makers focused less on cost efficiency and tended to base their decision-making more on values and guiding principles. However, to be more cost efficient, all the colleges shifted resources from the hiring of permanent full-time to cheaper and more flexible part-time faculty. They did this because the size of the faculty and the collective agreement determined the cost of faculty compensation, and specific student/faculty ratios had to be maintained under the collective agreement.

Proposition # 5: External variables which influence resource allocation decision-making include: The state of the economy, economic dependence on external organizations, public policy initiatives and government regulation, the level, the extent and the form of government funding, and the form of accountability to government. In their search for external legitimacy, these influences pressure post-secondary institutions to conform to a set of values and norms defined by government and successful organizations. This includes a search for an efficient model of resource allocation which simultaneously maintains an acceptable level of quality.

Data suggested that external forces played a very important role in influencing decision-makers. Cuts in government funding and declining government financing put severe pressure on decision-makers to influence not only the procedures for decision-making but also the decisions made in the three colleges. College X had implemented the new process for decision-making specifically in response to the cuts in spending introduced in 1995. In College Y the president had decided to increase enrolment levels in response to the same cuts in spending. This increased the college's share of the provincial operating grant. In College Z while the process could be described as an evolving process, decision-makers had made significant changes in the way decisions were made in response to these cuts, and the continuous decline in funding. School heads took part in determining the allocations at the school level. The college decided to increase the number of full fees for service programs and implemented
other revenue diversification measures, including a policy to actively recruit more international students. This was also done in College X.

In their search for external legitimacy the colleges sought a greater degree of accreditation for their programs with external organizations. They adopted government slogans such as "doing more with less," and used performance indicators which were based on Ministry criteria for program evaluation. In their efforts to become more efficient the colleges all became more market driven. They restructured, reorganized and rationalized as private corporations had done when they were faced with reduced revenues. Some services were contracted out and there was a shift of resources to temporary part-time faculty from permanent full-time faculty. The colleges also sought increased economic dependence on external organizations such as more partnerships with private sector firms and with governments of other countries. College X also established a foundation to conduct economic development.

Pfeffer and Salancik (1974) argue that dependence for financing on external sources forces higher education institutions to develop organizational structures complementary to its financial providers. In College X decision-makers molded the college into an entrepreneurial organization through the adoption of an integrated management system and the use of procedures, values and norms and the language associated with successful organizations such as private for-profit corporations. For example, students were called "customers" and greater emphasis was placed on achieving efficiency as measured in terms of minimizing unit cost.

Data suggested that in College X the initiative to become more market driven came from the Board of Governors which had requested that a presidential ad hoc advisory committee develop an action plan to respond to the cuts in government funding in 1995. The integrated management system through which decisions were made in the college was the outcome of this action plan. The degree of conformity with the values of for-profit corporations was more evident in College X than in the other colleges. In College Y the president had inherited an organization with a very
acrimonious climate, and in an effort to ameliorate the climate the president tried to introduce a more collegiate climate. A collegiate climate might not have been compatible with the type of management system used in College X, and consequently there was less evidence of the adoption of the values and language of for-profit corporations.

In College Z, the situation was somewhat different. Here the various schools historically had a great deal of autonomy and did not want to relinquish this autonomy. Thus, for example, this college kept its General Education department, even though it was recognized that this department could not attract resources in the same way as had departments with more market driven programs. This is in keeping with the view advanced by Massy (1996), who notes that programs will strong market demand but low intrinsic value may serve instrumentally to cross-subsidize programs with high intrinsic value but low financial potential. Data suggested that the search for alternate sources of revenue had temporarily shifted the emphasis in decision-making away from teaching and learning. However, this focus reverted to teaching and learning when it was recognized that the shift had occurred.

Slaughter (1993) theorizes that resources will be reallocated within an institution during periods of fiscal decline in such a way as to restructure the labour force. She argues that decision-makers privilege faculty and fields able to position themselves close to the market, and cut those areas not able to do the same. Government policies, such as proposals to make post-secondary education more responsive to economic priorities and the demands of the marketplace, also influenced this shift. In the colleges areas such as Internet and E-commerce received increased funding, while areas such as General Education, Manufacturing Technology and Design, Media Studies, Architecture and Mechanical Engineering lost resources. Both College X and Y disbanded their General Education departments and decentralized the courses offered by these departments. In College Y, the union representing the faculty won a grievance because it argued that the large number of part-time faculty was jeopardizing quality. The college was forced to hire more than seventy-five new full-time faculty, of
these only one new hired was a General Education professor. Consequently those courses assigned as general education tended to be taught by part-time faculty.

Decision-makers in College X and College Z in order to obtain external legitimacy searched for a model of resource allocation that they considered to be fair and efficient and accountable. They both wanted to find the "best" way to allocate resources which they considered was to have "the plan drive the budget." Simultaneously, these decision-makers wanted to maintain some level of quality. In College X decision-makers had some trouble identifying the level of quality. Alternately, they referred to this as the "minimum level of quality," and a "high quality manner." Decision-makers at the department or unit level were told: "the definition of minimum quality level is subjective and open to interpretation, but it is your responsibility to attempt to define the minimum level in direct connection to your core functions." Efficiency, effectiveness and accountability were all linked to quality, and used repeatedly by decision-makers and in documents in the three colleges. In College Z the search for new resources had caused decision-makers to temporarily shift some focus away from teaching and learning. In College Y, there was less discourse among respondents about efficiency. Decision-makers and college documents centered their discourse more around "academic excellence" and "high standards." However, programs were expected to generate enough revenues to cover their costs.

Decision-makers in the three colleges pointed out that neither the Ministry nor the COR directed them regarding how they should allocate their resources. They all acknowledged however, that they try to be proactive. This would imply that they tried to respond before the impact of the policy initiative. It should be noted that government regulation and policies are some of the major external influences on decision-making in the colleges. College Y and Z both used formulae to allocate their resources among their faculties and departments. These formulae were based on the Ministry funding formula used to allocate resources at the system's level. Decision-makers also shifted resources to those programs targeted by the Ministry as areas most likely to contribute to the market economy. They were also forced to shift
resources from existing programs to secure the base funding for new targeted programs. (See Chapter 5, page 134).

Another form of government regulation is the key performance indicators implemented in 1998. According to the Ministry these were implemented to encourage improvements in quality, using student satisfaction, graduate satisfaction and graduate outcomes as measures of quality. However, because these indicators are linked to the distribution of the province's operating grant, decision-makers will shift resources from those programs that are not performing as measured by the KPIs. This then becomes another form of government regulation.

Budget planning is always based on a set of projections. Most budget planners will try to be pessimistic about their expected revenues. The Ministry decides on the operating grant on an annual basis. Also, there is a time lag in the funding arrangements. Also colleges do not know what impact the KPI will have on their projected budgets. Tuition is relatively stable, but enrolment levels are not necessarily stable. Government deregulation of tuition fees in those areas that are considered to be more market driven, allowed colleges to have some control in the area of generation of revenues. Also, since the COR has to approve new programs and capital projects, the colleges may not be able to respond effectively to take advantage of new and emerging opportunities.

The two collective agreements negotiated between the COR and the college faculty and support staff is another form of indirect regulation by government which influences the internal allocation of resources. As previously mentioned, one of the problems in governance in the Ontario CAATs is that COR negotiates the collective agreements on behalf of the Ministry, and the Board of Governors in each college is responsible for implementation. Consequently, the Ministry can have a major influence on resource allocation decision-making in the college without playing a direct role.
Government regulation whether direct or indirect played an important role in influencing decision-making in relation to priorities and resource allocation in the three colleges. This in turn influenced decisions made in relation to teaching and learning. Robert Berdahl (1998) in a case study of a public honours college in the USA endorsed the form of deregulation of the publicly funded institution in which the college would obtain approval from the government for its role and mission and for reports dealing with student assessments and general education. However, he proposed the self-government of the college in procedural domains to improve its academic quality, maintain broad student access, and to raise more funds through increased efforts in the private market. MacTaggart (1998) argues that deregulation works in preserving and sometimes increasing quality and in maintaining diversity, although it does not automatically reduce costs. However, Volkwein (1987) in an earlier study found that academic and financial autonomy did not make significant, unique contributions to student quality either during periods of financial stringency or under conditions of adequate support. Instead Volkwein (1987), Blau (1973), and Morgan, Kearney and Regens (1976) found that the size and the resource bases of public universities appear to hold the keys to quality.

7.5 Summary

This chapter presented a cross-case comparison of the three case studies. The chapter also showed that although each college had different organizational structures for decision-making, different approaches to resource allocation decision-making, and different types of presidential leadership that the decisions taken in the colleges were very similar. This is because decision-making was shaped more by political, economic and technological changes in the external environment than by institutional factors. This was also true in College Y where redefining the culture and climate of the college was considered necessary for the more effective functioning of the institution. In this case the influences of external forces superseded the influences of institutionally prescribed values. Consequently, in this case data suggested that internal stakeholders continued to be skeptical of resource allocation decisions and the climate remained more guarded than in the other two cases where the process was more
participatory, more transparent and more structured. In those cases it was possible for internal stakeholders to see how decisions were made even when they did not entirely support decision-making because they had been co-opted into buying into the process.

The chapter also used propositions drawn from the literature on higher education to examine decision-making in the three colleges. The following conclusions can be made from analysis of the data in relation to the propositions. (1) The colleges with more formal planning had more centralized and coordinated decision-making processes. (2) The colleges with transparent and participatory decision-making had some measure of administrative accountability built into the process. (3) Two of the colleges, Colleges X and Z, had linked their planning and budgeting because of fiscal constraints. College Y wanted to be flexible so as to be able to adjust quickly to external changes, and had no mandatory department planning and did not directly link planning with budgeting. (4) The leadership style of the president helped to determine the type of decision-making process, but the decisions made were similar. In College X directive leadership with passive management by exception fitted into the integrated management system of decision-making adopted by the college. The leadership style portrayed by the president in College Z was also passive directive management by exception. Decision-making was done through committees, but the president intervened when there was an impasse. This happened frequently, because of the autonomy of the schools and the increased competition for scarce resources. In College Y leadership through relationship building resulted in murky and inconsistent decision-making. Different leadership styles by the presidents indicate that, when compared with other variables that affect organizational functioning that leadership had little influence on decisions made, but seemed to have greater influence on the culture of the institution. As previously mentioned decisions made in the three colleges were very similar. (5) Reduced public funding forced decision-makers in the colleges to shift resources away from teaching and learning into finding alternate sources of revenue. More importantly in order to justify their existence, the colleges sought external legitimacy by adopting into their decision-making the values and mores of successful
for-profit organizations. The greater the desire for external legitimacy the more intense the adoption of these values.
CHAPTER EIGHT
SUMMARY, IMPLICATIONS AND CONCLUSION

8.0 Introduction

This thesis examined the decision-making processes employed to allocate resources and to determine priorities for resource allocation in three Ontario CAATs in the Greater Toronto Area. Chapter One of the thesis discussed the significance of the study, and noted that it was important to discuss these issues because of decreased public financing of post-secondary education, technological changes and a change in ideological perspective regarding post-secondary education. The colleges chosen were similar in terms of size, characteristics of their student bodies, the type of programs they offered, and the percentage of general purpose operating grant received annually from the province. The colleges also faced the same external forces in the form of competition for funds and students from each other and other post-secondary institutions, both private and public. They also competed with each other for private sector funds in the form of partnerships and other links with private corporations.

The research questions which guided the investigation were:

(1) How did the decision-making process for determining priorities and for allocating resources operate in the colleges?
(2) Why were these decision-making processes chosen to determine priorities and to allocate resources?
(3) How were teaching and learning considered within the decision-making process for allocating resources?
   (a) What efforts were made to incorporate concepts of program quality into resource allocation decision-making?
   (b) How did each college discuss teaching and learning in relation to resource allocation decision-making?
   (c) Which areas benefitted from resource allocation decisions?
This concluding chapter presents an overview of the major findings of the study, the implications and suggestions for further research resulting from analysis of the data. The chapter begins with a summary of the major findings regarding each research question, reiterating the major themes which emerged from the study. Figure 8.1 provides an illustration of the external influences on the college, the internal character of the college and the way the college viewed the relationship between teaching and learning. The chapter concludes with a discussion of the limitations of the study, some implications and suggestions for further research.

8.1 Summary of the major findings: Internal characteristics

The colleges used a variety of decision-making processes to allocate their resources and to determine priorities. College X used an integrated management system linking planning with budgeting. College X used a revenue cost model based on efficiency and free market features to allocate its resources among various schools. In College Y the organization of the decision-making structure seemed to be anarchical, and the planning process was distinct from budgeting. College Y used a formula based on MET criteria to allocate its resources among its schools and departments. College Z seemed to use a more political organizational model for decision-making with schools and departments trying to maintain autonomy. Decision-making took place through committees. This college used a distribution model based on Ministry criteria and free market features to allocate its resources among its schools and departments. Budgets were linked to plans at the department level.

Colleges X and Z had formal planning offices. College Y did not. In all cases, the Board of Governors made the final decisions. The college executive decided on the level of revenues to be allocated for central-infrastructure and some items covered by collective agreements. In Colleges X and Z, groups outside of the Executive Committees could negotiate for changes in resources allocation decisions. In all cases students and faculty played a very limited role in the decision-making processes.
Figure 8.1
Diagram of External Influences, Internal Character of the Institution, and Teaching and Learning

External Influences

- Decreases in government funding
- Government regulation
- Economic, political and technological changes
- Policies and initiatives of private corporations
- CAAT collective agreements

Internal Character

- Entrepreneurial organization
- Transparent, participatory decision-making
- Focus on accountability, efficiency, effectiveness

- Learning centered institution

- Anarchical organization
- Murky, chaotic decision-making
- Focus on values and collegial leadership style of president

- Learning and teaching centered institutions

- Political organization
- Transparent, participatory decision-making
- Focus on consensus and fairness
Colleges X and Z chose the particular decision-making process because they were searching for what they considered to be the "right" way to allocate their resources and to determine their priorities. The criteria used to determine the "right" way were based on a variety of factors which included accountability, efficiency, and effectiveness. In College Y while some college wide priorities were first determined before resource allocation decisions were made, data suggested that decision-makers at the department level determined priorities after resource were allocated to the departments.

The need for transparency, participation, democracy and collaboration influenced the choice of decision-making process in Colleges X and Z. In College Y, the decision-makers considered the culture, climate, tradition and customs of the institution in choosing the processes used. Here, the president tried to implement a collegial culture. Where the president was a major player as an individual in decision-making, the process seemed to be more informal, more flexible and the process seemed to be less transparent and less coherent as was the case in College Y.

The colleges associated accountability with program quality when they attempted to incorporate concepts of program quality into decisions to allocate resources. They defined quality in terms of "fitness for purpose" and "excellence," and used program review to evaluate teaching and learning accountability. Decision-makers related efficiency, effectiveness, employment stability, and financial viability positively to quality, but did not show how these relationships worked.

Decision-making to allocate resources seemed to be an end in itself rather than a means to improve learning and teaching. All the mission statements of the colleges accentuated excellence in education as their foremost objective, but none of them were able to effectively translate this rhetoric into procedures. It would appear that decision-making was disconnected from the very outcomes it was created to improve. Efforts to allocate resources were more closely linked to politics and to fiscal constraints than with enhancing quality.
Changing demographics in the form of more lower income students, and more English as a second language students who were in need of remedial work with longer time periods for completion of programs, and non-educational services which are necessary to the teaching and learning process are important issues which all the colleges in the study faced. However, data did not suggest that decision-makers considered these as priorities in resource allocation.

Two distinct themes emerged in relation to how learning and teaching were discussed in the three cases. College X decoupled learning from teaching, and decision-makers considered the institution to be learner centered. In Colleges Y and Z learning and teaching were considered to be an integrated process and the central focus of the institutions. In the learner centered institution the language of the market was used to refer to the students and to teaching and learning. This was not so in the other two cases. Another theme which emerged in all cases was the shift of resources to the hiring of part-time faculty away from the hiring of full-time faculty; and to technology and communication programs and away from general education and to a lesser extent social and community programs.

8.2 Summary of the major findings: External influences

Regardless of the decision-making process used to allocate resources, whether the process was transparent, democratic and participatory or murky, decision-making was greatly influenced by external forces. This is true regardless of the organizational structure and culture of the college. The most important of these external influences was the 1995 cut in provincial funding, and the continuing decrease in government funding. In College X the entire process was implemented in response to the cuts in government funding in 1995. In Colleges Y and Z changes were made in response to these cuts as various internal stakeholders sought to have more influence over the process.

As previously mentioned, the enrollment-based formula which the Ministry used to allocate the operating grant to the colleges also influenced decision-making.
The collective agreements between the COR and the college faculty and the COR and the support staff helped to constrain decision-making. Some decision-makers felt that this restricted the degree of autonomy that they would have liked to have in order to more effectively allocate funding. These findings support the writings of Dennison and Gallagher (1986), Dennison and Levin, (1989), Dennison (1995) Knowles (1995). These writers have shown that governments' policies and initiatives and regulation play a significant role in transforming Canada's community colleges.

Pfeffer and Salancik (1974), Lasher and Greene (1993), Aronowitz and Di Fazio (1994), and Slaughter and Leslie (1996), all propose that economic, political and technological changes and the policies and initiatives of private corporations also greatly influenced decision-making. This study found this to be so in all three colleges. These changes were found to be interrelated. Decision-makers in the colleges accepted the ideological belief that increased global competition necessitates continuous innovation in order to enhance productivity. Many stakeholders in the colleges also accepted the thesis that vocational and professional schooling is a form of investment in human capital where total benefits are private, and therefore accrue to the individual and as such they believe that there is limited reason for government financing of these programs. Students, reflecting labour market trends, have greatly increased their demand for post-secondary technical training. These changes forced decision-makers to try to recognize more explicitly the cost of production in education. Consequently, decision-makers responded by channeling increasing levels of funds to finance ever-changing technology and the increased demand for training in various technological programs. The Ministry policy of providing additional funds for technology programs also influenced decision-making in this area. All the colleges examined in this study shifted resources to more technical areas of study.

The policies and initiatives of private corporations also influenced decision-making in the three colleges. The colleges adopted the mores and values of private corporations to some degree. This was especially true in the learner centered case where the decision-making process was organized as an integrated management
system, and decision-makers had adopted a culture in which efficiency, effectiveness and accountability were very closely associated with program quality. Here resources were allocated on a revenue cost basis, and to be viable programs had to be able to cover all their costs. Sheridan (1998), in a study done on three community colleges in Ontario, also found a strong relationship between external factors such as competition and government policy and its affect on strategic planning in these colleges.

Institutions of higher learning have always borrowed management techniques from other organizations. These included management by objectives, zero-based budgeting, strategic planning, program review, and total quality management to name a few. Robert Birnbaum, (2000) chronicles this phenomenon or these “Management Fads” based on a historical analysis of how such ideas enter the academy and what happens to them when they do. According to Birnbaum most management fads begin with an initial round of expository narratives that include claims of unusual effectiveness and success followed by further reports of wider adoption and continued elaboration but very little data about actual success or failure. Most of these ‘fads’ eventually will disappear, but decision-makers will modify some, for example program review, to fit the academy. Ewell (1999) also argues that a large number of colleges and universities may adopt the trappings of some of these processes to keep up appearances or because they must, and will periodically engage in its required rituals, but few will do much beneath the surface.

In 1998 the Ministry introduced system wide evaluation, using key performance indicators, to link distribution of part of the operating grant to performance. The Ministry planned to use these performance measures to force improvements in quality while simultaneously increasing productivity. Thus, they introduced management by results into the college system. These performance indicators are a measure of teaching and learning accountability. Decision-makers need to be able to explain how these performance indicators actually work to improve program quality.
Since the Ontario Government established the CAATs in the mid-1960s there has been a continuing discussion in the literature on higher education in Canada about their role in higher education, as to whether they were educational or training institutions or government departments, established to fulfill the economic needs of the marketplace. Part of this discussion includes the role of general education in programs offered by the CAATs. The Ministry of Training, Colleges and Universities (formerly the MET) in 1988 requested the COR to develop a “vision of the college system in the year 2000.” One of the recommendations of the resulting report called Vision 2000—Quality and Opportunity was that:

There should be a significant increase in the generic skills and general education content of programs leading to a college credential to ensure an equivalence of learning outcomes between those components and specific occupational skills (Vision 2000, 1990:170).

The report further recommended that each post-secondary program would be expected to include over the duration of the program an average of one three-hour per week general education course, of approximately forty-five instructional hours, per semester. This meant that 13% of total program hours would be general education. It was also proposed that three to five years following the implementation of the initial phase an additional general education requirement would be implemented (Vision 2000, 1990). This study has shown that resources have actually shifted away from general education to other areas of study. In two of the college examined in this study general education departments were eliminated and general education courses were decentralized to other schools and departments. The other college continued to cross subsidize the general education department. The way in which resources were allocated helped to shape the type of institution. College X became a more efficient, entrepreneurial and learner-centered institution in which education was seen as a technology transfer that could be carried out using technology. College Y became an access college and allocated resources to a new call centre. College Z tried to find a balance between decentralization and centralization. The college moved “upmarket” to offer more post-diploma full-fee for service programs as a “steering core”, as advocated by Burton Clark (2000) while cross-subsidizing peripheral areas.
8.3 Contribution to the literature

Resource allocation and budgeting models used in higher education, planning theory and decision-making models are the main bodies of knowledge underlying the research questions discussed in this thesis. The propositions, taken from the literature review in Chapter Two and examined in the cross-case analysis in Chapter Seven of the study, support conclusions drawn from analysis of resource allocation decision-making in colleges and universities in other jurisdictions such as the United States of America. These conclusions are as follows: (1) Colleges with formal planning departments are more likely to have more centralized planning processes and are more likely to link planning with budgeting. (2) Decision-makers shifted resources away from teaching and learning into finding alternate sources of funding when public funding declined. (3) The colleges became more market driven and adopted the values and norms of the successful private for-profit organizations in response to declining public financing and in order to maintain external legitimacy.

In the literature on higher education most of the research underpinning these decision-making models and planning was done on colleges and universities in the United States. To my knowledge this is the first study of its kind done specifically on resource allocation in the Ontario CAATs. This study contributes to the literature on higher education by illuminating how community colleges in Ontario make decisions about the allocation of their resources. It enhances our understanding of how the colleges have responded to cuts in government spending and declining government funding and regulation, and increasing calls for accountability. Dennison and Gallagher (1986) in their research on community colleges in Canada, found that organizational actions are institutional reactions to the external environment. Cameron (1982) found that organizational change is motivated by the external environment and that organizations adapt to the environment. Mintzberg (1983) believes that the actions of organizations emerge from a combination of the structure of the external and the internal behaviour of the organization. This study supports Mintzberg's view. The three colleges in the study all faced the same external environmental forces. The culture of each college was different. The leadership styles of the presidents were different. The
decision-making processes were different. Many of the decisions made were similar. The colleges all searched for access to more resources and made decisions to diversity their funding sources. The outcomes were different. College X became more entrepreneurial and a learner-centered college with emphasis on cost efficiency and the use of technology to replace teachers to achieve this efficiency. The college used a participatory decision-making process to induce internal stakeholders to embrace this new vision of the college. College Y became an access college with a focus on teaching and learning. Some respondents argued that this created dissatisfaction because resource allocation was not directed to this change in mission. College Z went “upmarket” to more post-diploma programs. Sheridan (1998), in a study of strategic planning in three colleges in Ontario also found a weak relationship between internal factors such as culture and climate and external factors. At the same time he noted that both internal and external factors strongly influenced the nature of strategic planning in those colleges. This study found that both external and internal factors influenced resource allocation decision-making in the colleges.

Sheridan (1988) found that the planning processes followed by colleges were strongly shaped by the prevailing organizational culture. Ibrahim (1997) in study of strategic planning in colleges and universities in Ontario found that the form of the planning processes used in these institutions to be situational. This study also found this to be so in relation to decision-making processes to allocate resources. The college which tried to promote collegiality and had less formal mandatory planning had more segmented decision-making, less coordination among departments, and more murky decision-making. The college which promoted an entrepreneurial culture of efficiency, had a centralized integrated management system where procedures were consciously selected at the onset and developed by the planning department. The college with more autonomous decentralized schools and a more political climate tried to find an acceptable balance between centralization and decentralized decision-making. This college had at least ten committees making resources allocation decisions and coordinated through the planning department.
Dennison (1994) argues that more democratic and participatory governance in Canada's community colleges would improve morale, trust and communication that would help to promote quality and relevance within the college sector. The results of this study support the first part of this statement in the colleges examined. In the two cases (Colleges X and Z) where there was a greater degree of transparency and participation in decision-making, internal stakeholders seemed to be more trusting of decisions than in the case (College Y) where there was less participation and transparency. Data taken from documents indicated that a larger number of grievances were filed by faculty in College Y where there was less participation. Also Ministry performance measures implemented in 1998 showed that this college was rated below the system's average in terms of student satisfaction with their learning experiences and the quality of campus services. This was also true for the learner-centered College X where there was a greater degree of participation.

In addition, when decision-making was participatory and transparent participation was varied and incomplete, and decisions could be reversed by the College Executive or the Board of Governors. Under the governance structure of the Ontario CAATs, as enacted by the legislation which created the colleges, the Board of Governors in each college has the final authority in decision-making. However, the boards rarely seemed to change decisions once they were agreed on by the College Executive. As previously mentioned, in College X the board had decided that the College Executive should find an alternate and more efficient way to make decisions to allocate resources because of the 1995 cuts in provincial funding. The College Executive Committees had the power to disband any of the decision-making committees as was done in College Y where the Budget Review Committee was disbanded. Helsabeck (1973) has noted that issues in effective decision-making include the extent to which participation can make a difference in the final decision and whether the decision-making committees are autonomous. In College Y some participants on the Budget Review Committee believed that it was simply an information gathering body. Also, a senior administrator stated that the committee had not met because it was not adding value. Obviously, participation in this case did not contribute to final decisions made.
Dennison (1994) also points that a major obstacle to democratic governance in the colleges is that faculty do not have statutory power at the decision-making level. However, there is now faculty and support staff representation on the governing boards. This study has shown that participation in resource allocation decision-making, which depended on the leadership in the individual colleges, was varied and without power and authority to make a difference in final decisions and implementation. Consequently, for participation in decision-making for resource allocation to have real legitimacy this might have to be acquired through the collective agreement.

A series of propositions were derived from the literature review and used to help analyze the data in this study. Conclusions drawn from these propositions are summarized below and are further contributions to the literature.

**Proposition #1:** A governance structure which allows for a transparent and participatory decision-making process for resource allocation is likely to contain an accountability component.

This study supports this proposition. In Colleges X and Z where decision-making processes were the most transparent and participatory there were more provisions for accountability than in College Y, where decision-making was more murky and less democratic.

**Proposition #2:** During periods of fiscal constraints decision-makers will try to use rational choice procedures to develop policies. This includes formal planning which directly links planning with budgeting.

The data in this study support this proposition in Colleges X and Z, where decision-makers used what they perceived to be rational choice procedures to link their planning and their budgeting in order to be more cost efficient. In College Y, planning was more flexible and decision-making was more murky. In all three cases differences in institutional culture and climate influenced decision-making process.

**Proposition #3:** During periods of fiscal restraint there is increased competition among various departments for scarce resources. As a
result, the president becomes more of an independent actor than an agent of the faculty.

The data in this study supported this proposition in two cases, Colleges Y and Z. In College Z the school heads sought to play a greater role in resource allocation decision-making. There was increased conflict for resources and the president often had to intervene to settle disputes. In College Y the Budget Review Committee was disbanded when faculty sought to play a more substantive role in the decision-making. In College X, the senior executives and the board of governors pre-empted conflicts over resources by introducing a responsibility cost budgeting process.

Proposition #4: Institutional factors which influence resource allocation decision-making include: mission and type of mission statement, tradition, and legal history. The character of the student body, student-faculty ratios, and the financial health of the institution influence, and are also influenced by resource allocation.

Data in this study indicated that all of these variable influenced and were also influenced by decision-making to allocate resources. Each college tried to carve out a particular niche in the market for college students. One became an access college, one moved "upmarket" and the other tried less successfully to recruit more international students. Thus, they altered their missions. In pursuing their goals the colleges were all constrained by their legal history.

Proposition #5: External variables which influence resource allocation decision-making include: the state of the economy, economic dependence on external organizations, public policy initiatives and government regulation, the level, extent and form of government funding, and the form of accountability to government. In their search for external legitimacy, these influences pressure post-secondary institutions to conform to a set of values and norms defined by government and successful organizations. This includes the search for an efficient model of resource allocation which simultaneously maintains an acceptable level of quality.

This study found that external influences played a major role in decision-making to allocate resources. Decision-makers sought alternate sources of financing, and
became more market driven. They saw a greater urgency to justify their existence and to be accountable to external stakeholders. This was compounded by increased regulation through evaluation by the Ministry.

8.4 Further Research

This thesis has both extended the literature on resource allocation decision-making in the Ontario CAATs and laid the groundwork for further research on potential improvements in organizational processes and procedures. There are several areas of interesting research raised by the results of these case studies. The system of governance in the colleges provides limited scope for true participatory decision-making since the Board of Governors has statutory power over decision-making. An area for further research should focus on whether true democratic and participatory governance within the college would have any great effect on the decisions made; and whether external forces would still have such great influence on decision-making.

This study has shown that decision-making seems to be disconnected from the very outcomes it was designed to improve, that is, quality learning and teaching. A second area for further investigation should examine micro level efforts to address the educational production function itself and the links between decision-making and classroom processes as there is a need to examine the interactions between students and teachers that promote achievement. This would also involve a comprehensive study on how the professorate view these decision-making processes and their effects on professionalism.

Two of the colleges in the study linked their planning directly with budgeting, in one case the college wide strategic plan was linked with department operational plans which were linked with budgets. In the other case department strategic plans were linked with department budgets and the strategic plans were based on college wide priorities, goals and objectives. A third area of future research should be to evaluate the linking of planning to budgeting in these cases.
Many of the students in the three colleges are English as a second language students. This is especially true of Colleges X and Y. Yet none of the respondents in the study considered this to be important in the decision-making process. A fourth area for further research should be to examine programs and non-educational services implemented to accommodate the change in student demographics in the colleges and the level of resources allocated to these areas.

A fifth area for further research should be to examine the increase use of evaluations including program review, program rationalization and the newly implemented KPI. Questions that need to be answered are whether these evaluations are being done because of the belief that they ought to be done? What effect do they really have on decision-making? Are decisions implemented as a result of these evaluations? If so, are they being implemented for social, political or financial reasons? Are the attention, time, energy and resources used in evaluation, resources which are being diverted from learning, teaching and other services to students?

A sixth area for further research should involve an examination of which of the recommendations from Vision 2000 were actually implemented and if the goals were reached and what were the outcomes of implementation of the recommendations. Finally, it would be interesting to examine the implementation of the various decision-making strategies and their impact on the mission statements of the colleges.

8.5 Limitations

This study is not without its limitations. First, since this study examined three publicly funded not-for-profit colleges, its conclusions cannot be generalized to for profit or privately funded colleges. Second, this study examined colleges in the Greater Toronto Area only, so its findings may not be applicable to colleges in other areas, where student bodies, traditions and programs offered may be different. Third, this study used cross sectional data and only portrayed decision-making in the colleges during the period under review. It does not take into consideration any changes which may have been implemented after the data were collected. A further limitation of this
study is that it does not purport to show the effects of resource allocation decisions on program quality or relevance within any of the colleges. The study examined how decisions affected teaching and learning in terms of whether concepts of program quality were incorporated into the decision-making process.

8.6 Concluding Remarks

This study examined the decision-making processes for determining priorities and for allocating resources in three Ontario community colleges. In so doing, the thesis has both extended the literature on decision-making to allocate resources in community colleges and laid the groundwork for further research on potential improvements in organizations in decision-making and resource allocation procedures. It is my hope that this study offers some insight into how decisions are made in the community colleges in Ontario, and illuminates how decisions emerge from the perceptions of opportunities by decision-makers in these colleges, and on the constraints which limit the choices available to them.
BIBLIOGRAPHY


APPENDIX A
INTERVIEW GUIDE

Phase One: Exploratory informal interviews:

1. Introduction
   - Can you recommend any sources of documents and background material?
   - Where and from whom could I obtain this material?
   - Can you suggest any stakeholders whom I should interview? Why should I interview these particular stakeholders?

Phase Two: Semi-formal interview schedule:

2. Organizational and decision-making structures:
   - What organizational structures for decision-making for determining priorities and for allocating resource allocation exist in your college?
   - Is there a planning department?
   - What are the roles of the various stakeholders in your organizational structure?
   - For each position in the structure what are their decision-making responsibilities?
   - How did the structure develop? Internal influences? External influences?
   - What are the strengths of the structure? List four.
   - What are the limitations of the structure? List four.
   - Do you expect any changes to be made to the structure? If so, what are they? Why are they being made? When will they be made?

3. Process for decision-making to determine priorities:
   - What is the process for determining priorities in your college? Can you walk me through the process?
What preparatory work is done before each step is taken?
What information is required and in what order? By whom is the information collected? Who does this work?
What resources are made available for this work?
Is there a college activity plan which outlines the college's priorities? If so, how are these determined?
What type of planning does your college do? Strategic planning? Operational planning? Program planning?
Does your college do environmental scanning?
Does each department or faculty develop its own operational plan? Who is involved?
Is there an academic planning committee? How are decision made regarding adding, deleting or continuing a program? Who is involved in making these decisions? At what stage do these participants take part? Design, implementation, Evaluation? Who determines who takes part?
Is there a program review process in your college? How is this used? To fund programs? To continue programs? To eliminate programs? To evaluate programs?

4. Process for decision-making to allocate resources:
What is the process for decision-making for allocating resources in your college? What are the major steps in the decision-making process? Can you walk me through the process?
What preparatory work is done before each of these steps is taken? Who does this work? What resources are made available for this work?
How long has the college used this model? Is this a recent change? If so, what
prompted this change?

- Is there a budget review committee in your college? How are decisions made regarding who should participate? At what stage do these participants take part? Design? Implementation? Evaluation?
- Why is the budget process initiated at the particular level and stage at which it is initiated?
- What is the extent of faculty participation in the budget process at each stage of the process? Design, implementation and evaluation?
- Who is responsible for instituting and monitoring the budget process in your institution?
- How are program costs determined? At what level are program costs determined (central or departmental)?

5. Relationship between the process for determining priorities and the process for allocating resources:

- How are college priorities and resource allocation related?
- Do priorities determine the allocation of resources?
- Are priorities ranked when decisions are made to allocate resources? If so, who ranks the priorities?
- Does resource allocation determine priorities? At the college wide level? At the department level?
- How do program decisions relate to the budget process? Do units see the planning process as an opportunity to expand their budgets?
- Are plans generally modified to reflect available revenues, emergencies or emerging opportunities? Did the college implement any changes to the process of resource allocation, priority setting or budgeting as a result of recent changes in government funding?
- Is planning linked to the budgeting process? If so, how is this done? What difficulties are encountered in the linking of plans to budgets? What strength
or advantages are there?

- How are conflicts between units or between senior administrators regarding priorities resolved?
- Is this process monitored? If so, by whom? If not, why?
- Is there a link between capital projects and program plans? If so how is this treated?

6. Considerations of teaching and learning in the decision-making process:

- How are teaching and learning considered in the decision-making processes?
- Are studies done to evaluate the outcomes of resource reallocation among various departments?
- What accommodation is made for teaching and learning accountability?
- How are teaching and learning viewed in your college by decision-makers? As an integrated process or as two distinct processes?
- Does your college try to evaluate quality? If so, how? How are resources allocated to this?

7. Stakeholders involved in the decision-making process?

- Please describe the role of each of the following stakeholders in the decision-making process.

- Is resource allocation and the determination of priorities based on reaction to directives from or influences of any of the following?
  - Ministry of Education
  - Council of Regents
  - Association of Colleges of Applied Arts and Technology of Ontario
  - Board of Governors
  - President
  - Vice-presidents
  - Directors
Deans and Department Heads
Faculty Association
Student Association
Support Staff
College Council
Advisory Boards
Private Corporations

8. What are the outcomes of the decision-making processes?
   - Decisions only?
   - Budget?
   - Plan?
   - Documents?
   - Other?

9. Time frame involved in the decision-making processes:
   - How does the processes describe above change for the long term (more than two years)?
   - Why do the processes described take the form they have? Internal reasons? External reasons? For short term planning? Medium term planning? Long term planning?

10. Ministry of Education Policies and legislation?
    - Does legislation play a major role in institutional decision-making?
    - The Ministry of Colleges and Universities Act?
    - The Collective Agreements?
    - Other?

11. Participants views about decision-making in their college:
    - Are decision-makers in agreement with the decision-making processes
in your college?

- How would you describe the planning process? Ad hoc, rational, strategic, efficient, political, comprehensive, transparent, participatory, democratic, effective, other?

- Which type of knowledge appears to predominate in the decision-making processes? Researched knowledge? Personal knowledge and experience?


12. How would you describe the internal climate and culture in your college?


- How would you describe the leadership in your college?

13. Do you wish to add any general comments?
APPENDIX B
LETTER OF INVITATION

Date

Dear [Name],

I am undertaking a study of priority setting and resource allocation in the Greater Toronto Colleges of Applied Arts and Technology to fulfill part of the requirements for the degree of Doctor of Philosophy at the Ontario Institute for Studies in Education/University of Toronto. I am interested in determining the process through which priorities are determined and how resources are allocated in the colleges. The members of my supervisory committee for my dissertation are Professor Glen Jones, Higher Education Group, Chair of the committee; Professor Michael Skolnik, Higher Education Group, and Professor Daniel Lang, Higher Education Group.

For my research, I intend to do a case study of three of the Greater Toronto Area colleges. The research will involve in-depth interviews with key participants in the resource allocation process at each college, and collection and analysis of relevant data and documents.

The purpose of this letter is to formally seek approval for me to interview you. I am asking for your assistance in answering the questions which are attached to this letter. I hope to conduct one tape-recorded interview of approximately one hour in length.

Your participation is completely voluntary and you are free to withdraw from the study at any time. All information will be treated as confidential, that is, my thesis will describe the process existing in the college, but neither interview respondents nor the individual college will be identified. Access to the transcribed interviews will be restricted to me and my thesis supervisor. Raw data will not be stored in any time-sharing computer systems. I will also give each interview respondent a summary of his/her interview for review prior to my analysis of the data. However, the protection of institutional identification may be difficult because contextual information might give knowledgeable observers a strong clue to the identity of the institution. I should also note that prior to starting my study it will have undergone an ethical review in accordance with the OISE/University of Toronto policy.

I hope that my study will make a significant contribution to the research literature in the field of planning and administration of higher education. I would also hope that the exercise might provide your institution with some useful perspectives on its resource allocation process.

Sincerely

Aurelia Best
Doctoral Candidate, OISE/University of Toronto
APPENDIX C

PRIORITY SETTING AND RESOURCE ALLOCATION IN ONTARIO COLLEGES OF APPLIED ARTS AND TECHNOLOGY

CONSENT FORM

I have read the attached letter describing the research project you plan to carry out in connection with your doctoral dissertation.

I agree to participate in an interview for this project under the following conditions.

I will allow the interview to be taped. I understand that the interview is being taped so that nothing is missed and so my words are not changed or misunderstood. I can turn off the recorder at anytime during the interview. I can end the interview at any time and request that the interview not be used.

I agree to allow Aurelia Best to use the information from the interview in her thesis. However, I understand that my privacy and confidentiality will be protected by disguising names and any other identifying information. I understand that I have the right to receive and review a written summary of the interview. After reviewing and discussing the summary with Aurelia, I can suggest modifications for accuracy, clarify, or new information.

Research Participant's Signature ________________________________

Please Print Your Name ________________________________

Date ________________________________

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