

1988

# Capital Infusion And Withdrawl Program Performance At Varying Levels

Patrick Allen

George Fox University, patrickallenauthor@gmail.com

Follow this and additional works at: [https://digitalcommons.georgefox.edu/soe\\_faculty](https://digitalcommons.georgefox.edu/soe_faculty)

 Part of the [Educational Assessment, Evaluation, and Research Commons](#), and the [Home Economics Commons](#)

---

## Recommended Citation

Allen, Patrick, "Capital Infusion And Withdrawl Program Performance At Varying Levels" (1988). *Faculty Publications - School of Education*. 67.

[https://digitalcommons.georgefox.edu/soe\\_faculty/67](https://digitalcommons.georgefox.edu/soe_faculty/67)

This Article is brought to you for free and open access by the School of Education at Digital Commons @ George Fox University. It has been accepted for inclusion in Faculty Publications - School of Education by an authorized administrator of Digital Commons @ George Fox University. For more information, please contact [arolf@georgefox.edu](mailto:arolf@georgefox.edu).

# Capital Infusion and Withdrawal Program Performance at Varying Levels of Funding

A. PATRICK ALLEN

Colleges and universities never have enough money. The standard faculty bromide is, "If I had more time and money, then I would be more active in faculty development activities." Actually, since time is a matter of having enough money to farm out some of one's duties or hire additional staff, the argument pretty much boils down to money. But is money the key factor in the success of faculty development activities? How does money or the lack of money affect the nature of instructional development on a college or university? In this article, some general relationships between the level of financial support and program effectiveness will be explored, followed by an examination of the dynamics of capital infusion and withdrawal (Allen 1986, p. 8).

## Financial Support

Until lately, there has been a tendency in higher education to throw money at our problems, but Hesburgh reminds us that money by itself is never enough (Hechinger 1981, p. 126):

Higher education and every other enterprise moves forward when there is good leadership: otherwise it stagnates. We need people with vision, elan, geist, people who have standards and a certain toughness . . . Of course you need money. But if you have money and no vision, you just squander it."

Assuming we have leadership, can money have an impact on faculty development activities? Kozma reports that classroom innovation is a function of the level of support. Several instructional innovations were developed by a small faculty group when given extensive support and release time. Those given less support did improve, but to a lesser degree; while no measurable change in teaching tech-

niques were detected among the control groups (Kozma 1978, pp. 442-3). The problem is that in higher education, the "funds are divided into hundreds of small 'pots' and allocated to departments . . . Ideas (and innovations) that do not fit this 'bits and pieces' resource allocation system are excluded from consideration" (Hershfield 1980, p. 49). White adds that "the most common constraints to behavior of an individual are the constraints imposed by those allocating the resources" (1974, p. 366). Faculty development does seem to be a very "small pot" in the institutional allocation system. Two studies report that faculty development activities receive less than 1 percent of the instructional budget at most institutions (Hammons and Wallace 1976, p. 20; Ellerbe 1980, p. 1905). Does it appear likely that this funding pattern will change? Drucker is not optimistic (1980, p. 41):

Unless challenged, every organization tends to become slack, easygoing, diffuse. It tends to allocate resources by inertia and tradition rather than by results. Above all, every organization tends to avoid unpleasantness. And nothing is less pleasant and less popular than to concentrate resources on results, because it always means saying "No."

What is the relationship between financial support and institutional size? There is some evidence that finances have a greater impact on smaller institutions (Gaff 1975, p. 168). Additional support comes from Eble. "One of our major conclusions is that in terms of cost-effectiveness, the Bush program grants had the greatest impact per dollar upon the smaller institutions" (1985, p. 216). The findings of Anderson's study, *Finance and Effectiveness: A Study of College Environments*, are less conclusive (1983, p. 119):

There is some slight evidence that private colleges with improved finances function slightly better, the

opposite seems to hold true for public institutions . . . Overall, the results suggest that the linkage between fiscal resources and college functioning is very weak.

Several other studies were also inconclusive as to the relationship between resources and effectiveness. After a study of Title III programs, Hodgkinson concludes that there is "a general interrelationship of size of grant, size of program, and quality of institutional improvement, but the correspondences are far from absolute" (1974, p. 49). Anderson's study could not establish a positive and general relationship between finance and faculty perception of college operations (1985, p. 636). Although these studies provide mixed evidence for the relationship between financial resources and the effectiveness of faculty development activities, it is important to remember that the focus of the last two studies was on institutional effectiveness rather than specifically on faculty development or instructional improvement activities. Overall, Ericksen is probably right. "Advice about teaching is helpful, but money is better" (1984, p. 144).

## Capital Infusion and Withdrawal

Very little is known about capital infusion (an increase in the annual level of support for a faculty development program in the amount of \$50,000 or more) or capital withdrawal (a decrease in the annual level of support for a faculty development program in the amount of \$50,000 or more), and even less about what happens when capital infusion and withdrawal occur in the same program within a relatively short period of time—a process studied by Allen (1986).

Hynes warns that capital infusion can become a "money trap." The money trap happens when faculty members begin to pursue activities in order to get the money rather than for the improvement or development which the funds were designed to foster (Hynes 1984, p. 33). Gaff observes that regardless of the amount of capital infusion, massive organizational change is not likely (1975, p. 169). Lauderdale adds that capital infusion is more likely to support and solidify existing institutional structures than to invite a complete institutional overhaul (1971, p. 14). It appears that capital infusion can easily reach a point of diminishing returns. Too much infusion, like too much sugar, may cause its

own special problems. This is not to say that capital infusion is not helpful to an institution seeking new programs and activities. Carlberg argues that the Gordon College growth-contracting program could not have "gotten off the ground without substantial funding. It probably would have been viewed as too much work (or busy work) for too little return" (1981, p. 19). It seems, then, that capital infusion is helpful to institutions seeking new and innovative programs, but too much infusion in too short a time can quickly reach a point of diminishing returns and may even become counterproductive.

Capital withdrawal (or severe retrenchment) can obviously cause many problems as well. Mortimer cites three common results: patterns of faculty-administrative interaction undergo severe stress, there is a general decline in institutional quality, and there is a serious decline in faculty morale (1979, pp. 53-4). But what happens when capital infusion and withdrawal occur in the same program over a relatively short period of time, say three to five years? This funding pattern could occur when, after a college or university receives a large program demonstration grant, it is unable to maintain the program at anything like the original level of support (with institutional funds) after the funding period expires. Lauderdale points out that capital infusion will have little impact on dysfunctional organizational structures. If capital withdrawal follows, most changes achieved will be temporary (1971, p. 14).

Carlberg, however, is more optimistic (1981, p. 19):

there is some evidence that now that the program is established [capital infusion], some version of it would continue should major funding run out [capital withdrawal] . . . However, it is doubtful that the current highly structured version of this program would flourish should funding become unavailable. It might again be a matter of too much work for too little return.

Milley lends support to Carlberg's optimism. In her evaluation of the Gordon College growth-contracting program, she reports that 66 percent of the participants in the 1976 program disagreed with the following statement: "If program funds were not available, I would see little value in participating in the program." Another 11 percent were uncertain, and only 23 percent agreed with the statement (Milley 1977, p. 444). It appears, then, that a growth-contracting program with substantial funding can promote participation. But will this partici-

pation have a positive cumulative impact maintaining the program's performance after capital withdrawal?

In a recent study, Allen sought to address this question (1986). He sought to answer the following question, "What is the relationship between the levels of financial support and the performance of a growth contracting program?" More specifically, this study sought to determine the impact of varying levels of funding (both aggregate program financial support and individual faculty financial support) and selected indicators of program performance (participation, participant satisfaction, impact upon the faculty, and impact upon the institution) for a small-college growth-contracting program.

The study employed an embedded single-case design. Twelve research questions were formulated to guide the investigation of Southern Nazarene University's growth-contracting program between 1979 and 1984. This was an ideal case for examination because of the program's funding pattern during the time period proposed for study. The essential organization, operation, and administration of the program did not change during the five years, but the aggregate funding levels changed dramatically (experienced capital infusion and withdrawal).

In order to provide multi-source data, three methods were used to gather data from over fifteen sources for this study: (1) review and examination of program documentation and related institutional records; (2) evaluation and assessment of all participants' growth plans and evaluation reports; and (3) in-depth interviews with sixty-three faculty participants, four nonparticipants, the Academic Dean, the chairman of the faculty development committee, and seven academic division heads.

The general analytic strategy was to develop a "descriptive framework" for organizing the case study. Within this descriptive framework, four primary modes of analysis were employed: pattern description and analysis, time-series analysis, the analysis of embedded units (organizational subunits), and explanation development.

The following general conclusions were drawn from the results of the study. There is a high positive relationship between substantial increases and decreases in the SNU growth contracting program's annual budget and each of the four dependent variables—participation, participant satisfaction, impact upon the faculty, and impact upon the institution. At higher levels of support, however, the relationship is not so direct and is influenced by other factors such as the choice of activities to pur-

sue and the degree of accomplishment of proposed activities. There is also a marked-to-high positive relationship between the amount of individual financial support and the four dependent variables. At high levels of financial support (in excess of \$1000), the relationship is also influenced by the nature of activities selected by participants, the degree of project accomplishment, and the size and scope of proposed activities.

The study concluded with the following recommendations for the implementation of a growth-contracting program: (1) be sure that program priorities reflect institutional goals and needs; (2) recognize that not everyone will participate every year; (3) be sure to put enough money into the program to permit it to be successful, but do not think that money alone is enough; (4) do not spread the funds too thin; (5) be careful not to supplant institutional funds; (6) allow for the developmental needs of all faculty members; (7) be sure to seek a faculty consensus about the definition of faculty development on the campus; (8) encourage corporate activity; (9) reduce paperwork to a bare minimum; (10) maintain open communication with the faculty; (11) share program results; and (12) evaluate the program.

From this study, several points are clear. First, the capital infusion and withdrawal process is difficult for any institution to endure. Infusion brings rising expectations and anticipation of great things to come—permission to dream. But withdrawal may not only crush faculty expectations but also magnify other institutional problems as well. The study indicates that the institution might have been better off to have refused the initial grant than to have accepted the funds without the ability to maintain a reasonable level of financial support after the expiration of the grant.

Second, the study brings into question the value of "demonstration grants"—particularly to institutions who do not have the expertise or financial support to effectively maintain these programs. Perhaps the role of the federal government and private foundations needs to be more than just a source of financial support, especially if the grants may ultimately prove to be harmful.

Finally, much more needs to be learned about the capital infusion and withdrawal process. There is a dearth of good research on this subject, even though institutional experience with this process is all too familiar. It would be wasteful to spend money that ultimately does little good, and it would be stupid to utilize previous financial resources in such a manner that actually hurts the institution.

## References

- Allen, A. P. "The Relationships of Growth Contracting to Levels of Financial Support: A Case Study." Unpublished dissertation. University of Oklahoma, 1987.
- Anderson, R. E. "Does Money Matter?" *Journal of Higher Education* 56.6 (1985):623-639.
- . *Finance and Effectiveness: A Study of College Environments*. Princeton: Educational Testing Service, 1983.
- Carlberg, R. J., ed. *Professional Development Through Growth Contracts Handbook, 1981*. Wenham, Mass.: Gordon College, 1981.
- Drucker, P. F. *Managing in Turbulent Times*. New York: Harper and Row, 1980.
- Eble, K. E., and W. J. McKeachie. *Improving Undergraduate Education Through Faculty Development*. San Francisco: Jossey-Bass, 1985.
- Ellerbe, J. H. "Faculty Development Practices in North Carolina Technical Institutes and Community Colleges." *DAI* 41 (1980): p. 1910A.
- Ericksen, S. C. *The Essence of Good Teaching*. San Francisco: Jossey-Bass, 1984.
- Gaff, J. G. "Current Issues in Faculty Development." *Liberal Education* 63.4 (1977): pp 511-19.
- . *Toward Faculty Renewal*. San Francisco: Jossey-Bass, 1975.
- Hammons, J. O., and T. H. S. Wallace. "Sixteen Ways to Kill a Faculty Development Program." *Educational Technology* 16.12 (1976): pp 16-20.
- Hechinger, F. "Hesburgh Earned Respect the Hard Way." *New York Times*, 13 Oct., 1981.
- Hershfield, A. F. "Education's Technological Revolution: An Event in Search of Leaders." *Change* 12.8 (1980): pp. 48-52.
- Hodgkinson, H. L. "Adult Development Implications for Faculty and Administrators." *Educational Record* 55 (1974): pp. 263-74.
- Hynes, W. J. "Strategies for Faculty Development." *Leadership Roles of Chief Academic Officers*. Ed. D. G. Brown. New Directions for Higher Education, no. 47. San Francisco: Jossey-Bass, 1984.
- Kozma, R. B. "Faculty Development and the Adoption and Diffusion of Classroom Innovation." *Journal of Higher Education* 49 (1978): pp. 438-49.
- Lauderdale, M., and J. Peterson. *Community Development*. Washington: Education, Training, and Research Sciences Corp., 1971.
- Milley, J. E. "A Case Study Approach to the Evaluation of a Faculty Development Program Which Uses Individual Development Plans." Unpublished Dissertation. Syracuse University, 1977.
- Mortimer, K. P., and M. L. Tierney. *The Three "R's" of the Eighties: Reduction, Reallocation, and Retrenchment*. Washington: American Association for Higher Education, 1979.
- White, P. E. "Resources as Determinants of Organizational Behavior." *Administrative Science Quarterly* 19 (1974): pp. 366-79.