

Chairs Council Recommendations for Conducting Academic Unit Modifications

For the purposes of this document, “academic unit modifications” (**AUM**) means reorganization of academic units as defined in Tennessee Higher Education Commission Policy A 1.3 (Appendix A)

The goal of this document is to provide a series of recommendations that will help to complete academic unit modifications in partnership with faculty. AUM are becoming increasingly common at universities across the country due to declining enrollments and budget pressures; this trend is likely to continue.¹ As Cherry et al. (2023, p. 52) note, “[w]ithout a doubt, universities will continue to use some level of reorganization of academic units to address challenges from both internal and external pressures.”

This document will not address every potential configuration of AUM (merger, program reallocation, division, combinations of all three). The document instead provides basic guidelines for ensuring AUM are conducted in accordance with best practices in higher education.

1. **Strategic reorganization:** best practice in AUM is to reorganize strategically, with AUM resulting from strategic need or purpose. AUM should be made in alignment with the University’s strategic plan. Cherry et al. (2023, p. 52) note that “a successful reorganization should rely on some type of strategic plan that looks toward the future, rather than continuously reacting to current or recent circumstances.” Additionally, Ricardo et al. (2019, p. 101) identify a “compelling and unifying vision” as one of the essential elements for reorganization success in higher education.² In the interests of sharing their vision with the campus community, University leaders should clearly articulate the rationale for restructuring at the outset.
2. **Transparency and openness:** secrecy is detrimental to the success of AUM. While initial or exploratory discussions between the Provost’s Office, Dean, and Department Chair(s) are best done privately (Ricardo et al., 2019), the “closed process must be transformed into an open discussion of the merger, serving to enhance transparency, trust, and engagement.”
 - a. The scope of responsibility for each university leader (Provost, Dean, Department Chair) should be defined in the initial discussions; clarity on who is responsible for what tasks will be helpful as the AUM moves from exploration to reality.
 - b. Given AAUP guidelines on the termination of T/TT faculty, a major concern of T/TT faculty is that AUM might be conducted as part of a restructuring that would enable the elimination of T/TT faculty. We are, after all, tenured in our departments. When a new department is created (or programs are moved to a different department), this creates a real concern that T/TT faculty could be cut. Assurances from the Provost that this is not the case are a good first step in assuaging this concern. An

¹ It should be noted, however, that there are not always large budget savings from AUM – for example, mergers tend to realize immediate savings from reduction in the number of chairs and support staff, but overhead costs do not shrink. Ultimately, cost savings can come from curricular efficiencies if faculty are able to develop curricular changes that work for all disciplines in the new academic unit.

² Much of research on higher education reorganization is done on institutional mergers, however the lessons are applicable to academic unit modifications within institutions.

additional step is to ensure that protection of tenure is included in the documentation that is submitted to the Board & THEC.

- i. Example language from a recent merger: The combined department will be the successor to the two constituent departments, thus retaining all tenure rights afforded to faculty and inheriting all obligations (financial, service, etc.) incurred by the constituent departments.

3. **Faculty and staff consultation:** research on higher education reorganization shows that voluntary reorganizations are more successful than involuntary, with forced reorganization leading to low job satisfaction, high general skepticism, and lowered morale (Wollscheid & Røsdal, 2021). As Hodges (2018, p. 1, Introduction) notes, “more often than not, change driven from the top down fails to engage properly with the front-line operational staff.” This does not mean that faculty must be given veto power over AUM. However, consultation with members of the affected academic units at each stage can increase stakeholder satisfaction with the outcomes and help to create buy-in (Hodges, 2018).

- a. All AUM incur transaction costs. AUM leaders should anticipate avoidable costs, such as those to morale. Indeed, Ricardo et al. (2019) note that the psychologically negative transaction costs are often avoidable if care is taken with the planning and execution of the reorg. To that end, leaders should seek to avoid the long-term cost of diminished faculty and staff morale that results from AUM in which the members of the academic units involved were left out of the process. Examples of potential points for faculty and/or staff consultation:

- i. *AUM Planning:* When academic unit modification is a goal identified in the strategic plan, faculty can be given the goal and asked to submit an AUM plan that meets the goal. This ground-up voluntary AUM process gives stakeholders considerable interest in the success of the AUM.
- ii. *Academic unit naming and marketing:* faculty strongly identify with their home departments; AUM threaten that identification and can cause faculty to withdraw from participation the new academic unit(s) (Bettis et al., 2005). Inviting faculty and staff to lead the processes that build the new unit’s identity will help personnel to identify as members of the new unit rather than as former members of a now defunct unit.
- iii. *Internal governance:* encouraging the new academic unit(s) to develop formal internal governance documentation (e.g. bylaws, committee structures, promotion and tenure standards) also helps personnel to identify with the new unit. They are more likely to see the new AU as their own, rather than solely the creation of the administration. In addition, creation of internal governance documentation removes uncertainty about two of the major AUM-related stressors: new/different performance expectations and changes to everyday working life (Slade et al., 2022, p. 1217). When possible, this should be done in the lead-up to the formal completion of the AUM so that there is less uncertainty about how the new unit will function.
 1. Relatedly, consider formally stating that assistant and associate faculty may continue with the tenure and/or promotion standards under which they started or they may choose to adopt the new unit’s

standard; a midstream change in tenure and/or promotion standards looms large in the documented fears of faculty undergoing an AUM (Bettis et al., 2005) –anecdotal evidence at MTSU indicates that this is an ongoing concern.

2. Office and classroom space are factors in faculty and staff concerns about changes to everyday working life, so if the AUM entails changes to workspaces, those can also be addressed in a space plan as part of the internal governance process.
4. **Leadership:** an additional best practice in higher education restructuring is strong leadership (Ricardo et al., 2019). To achieve the first, Following the principle of subsidiarity, which indicates that tasks should be completed by the unit most capable of handling them efficiently (Føllesdal, 1998), the Provost’s Office—ideally the Provost—is responsible for the overall academic operations of the university and should therefore be seen to lead when significant modifications are being made to academic units. Therefore, the Provost’s Office should take the lead in deciding and announcing AUM. In turn, the details of making the reorganization happen are best left to deans and departments.³
5. **Communication:** The communication plan is best determined by the Provost’s Office in consultation with Deans and Department Chairs, with clear determinations of what is to be communicated by whom and in what timeframe. A successful communication plan incorporates the essential elements of success such as:
 - a. AUM leaders and staff should “*take into account that messaging must follow the five C’s of effective communication:—Clear, Concise, Consistent, Compelling, and Comprehensive*” (Ricardo et al., 2019, p. 105)
 - b. Communication should be handled with transparency & openness; communications about AUM should take place as early in the process as is feasible since stakeholders in the process can be brought on board with timely, careful, and well-crafted communication. Cherry et al. (2023, p. 57) indicate, based on post-AUM survey results, that “carefully managed reorganization and communication” are of key importance in facilitating “common understanding about the motivations, decision-making mechanisms, and outcomes” of AUM.
 - c. The leadership should emphasize that the modification is part of the University’s strategic plan and should enumerate the ways in which the AUM and the faculty and staff in the resulting academic unit(s) will help the University achieve its goals.
 - d. The communication plan should include not only Academic Affairs and the affected academic departments and/or colleges (including academic advisors), but also other campus business units:
 - i. Finance and Accounting: F&A is responsible for organization codes, which means that they have an important role in creating or merging academic units. Many AUM will entail changes to academic units’ indexes, including splitting or merging of funds, which may be most cleanly/easily done at the start of the fiscal year.

³ As (Bettis et al., 2005) note, campus leaders cannot be present at every step of the process.

1. Business office will update the org codes as appropriate for new or altered units.
 2. They also move the positions into the appropriate index and update the orgs on any indirects your unit may have
 - ii. Human Resources: once the org code is determined by F&A, Human Resources can work towards making the back-end changes that put all of the modified unit's personnel in the appropriate org.
 1. Once the positions are moved into the appropriate index, HR can start on updating the many systems which require changes
 - iii. Development: many departments have department-specific donor agreements, Foundation accounts, etc. Donor agreements are likely to need review, Scholarship Manager may need updating, and, depending on the nature of the AUM, Foundation accounts may need to be changed (split, merged, etc.)
 1. It is also worth noting that outreach to long-time donors may be needed to help ensure their continued support of the new academic unit(s).
 - iv. ITD: while the affected business units will reach out to ITD for assistance with changes, it is appropriate to inform ITD that changes are coming so that they can engage in resource planning prior to the start of the AUM.
 - v. Creative and Visual Solutions/Marketing: the academic unit modification will likely entail changes to all extant collateral: brochures, rack cards, signage, website, and even business cards if there is a name change.
 - vi. Walker Library: while AUM should have only a minor impact on Library services, it is helpful to inform the Library for planning purposes as the AUM may entail different approaches to supporting the new academic unit(s).
 - e. One final piece of the best practices literature is to act with a sense of urgency, which is often connected to the strategic imperative driving the AUM. "Successful change and transformation are best served when there is an appropriate level and recognition of urgency among all stakeholders ...Creating this sense of urgency among the [campus] community as part of leaders' messaging, without producing widespread panic, requires a great degree of transparency and information around the challenges and choppy waters—as well as great opportunities—lying ahead" (Ricardo et al., 2019, p. 148)
6. **Planning and timing:** a full plan and timeline should be established early in the process and should be communicated to all involved parties. Decisions about AUM should be made at least 8 weeks prior to the next meeting of the Board Committees. This allows sufficient time for the completion of the AUM proposal and inclusion in the Board Committee's packet. Ideally the first step in the approvals process, Board Committee approval, should be completed at least a year in advance of the projected target date for merger completion, which should put the proposal on track for full Board approval shortly thereafter, after which the proposal is sent to THEC. Thus, **the Fall Board meetings cycle** is the recommended target for starting the approval process. This will ensure that the academic and business units affected by the modification have sufficient time to complete the AUM

prior to the next fiscal year. In terms of AUM completion, modified units should be able to go into the next CUSTOMS having completed at least the public-facing parts of the modification (marketing materials, website, etc.), while back-end processes can be completed at the start of the fiscal year.

7. **Resources and personnel:** AUM decision-makers should keep in mind that “dedicated resources must be identified in advance...Ideally, resources should include not only monies and capital, but also dedicated personnel time, as the process [of reorganization] is acutely labor intensive” (Ricardo et al., 2019, p. 107).
 - a. Academic unit leaders should be appropriately compensated for leading the AUM; this may be in the form of course releases and/or financial compensation equivalent to the course releases, as the academic unit leader prefers.
 - b. Staffing will be affected by an AUM, thus a staffing/personnel plan should be in place from the outset.

In sum, research indicates that reorganizations often produce what (Slade et al., 2022, p. 1216) call disappointing outcomes—results which can most frequently be attributed to “neglect or mismanagement of the human interpersonal relations aspects of mergers and the stressful impact they have on individuals.” However, we also know that there are several essential elements to concluding a successful reorganization. These elements include committed and appropriate leadership, compelling strategic vision, and a robust communication plan, all of which can be leveraged to ameliorate the negative effects of AUM on personnel. AUM can be conducted in ways that achieve the strategic goal of the University and give due attention to the concerns and interests of the personnel who are most affected by the changes.

References

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Appendix A: THEC Policy on Academic Unit Modifications



Tennessee Higher Education Commission

Section Title: Academic Policies
Policy Title: New Academic Units
Policy Number: A 1.3

- 1.3.1 A** **Purpose.** Pursuant to Tenn. Code Ann. § 49-7-202(q)(2)(A), the Tennessee Higher Education Commission (THEC) has the statutory responsibility to review and approve new academic departments or divisions at public universities and community colleges. Pursuant to Section VII of the Rules of Procedure, the Executive Director should be empowered to act for the Commission in the interim when the Commission is not in session.
- 1.3.2 A** **Definition of Academic Units.** Academic units include, but are not limited to, colleges, departments, institutes, schools, and other divisions that house at least one academic program including degrees, certificates, and minors.
- 1.3.3 A** **Approval Process for New Academic Units -** Following proper institutional approval, a public community college or university seeking to establish a new academic unit shall submit a written request to THEC's Executive Director. The request shall be in alignment with Section 1.3.4A and include all required materials as outlined in the New Academic Units Checklist available on the THEC website.
- 1.3.4 A** **Criteria for Review.** Proposals for new academic units will be evaluated on the following criteria:
- Feasibility of the new academic unit
 - Alignment with the Tennessee State Master Plan for Higher Education and institutional mission
 - Required investment for new and/or renovated facilities.
 - Overall costs associated with the new academic unit
- 1.3.5 A** **Modifications to Existing Academic Units.** Any changes, with the exception of a name change, to existing academic units must be submitted to THEC for review and approval.