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ABSTRACT
        The purpose of this study was to examine the
decision-making processes of a university that, faced with radical
changes in the external environment, was forced to make extensive
internal adaptations. A case study is presented of the way in which
the administration of New York University perceived and dealt with
the threat to its existence posed by competition from state
universities which had gradually taken over many of its functions.
The findings, based on information obtained from a sample survey of
faculty and administration, analysis of documents, participant
observation and intensive interviews, indicated that the normal,
bureaucratic decision-making mechanisms break down when confronted by
major external threats. Instead "political" processes take over, and
major interest groups largely determine policies. In spite of bitter
opposition by a portion of the faculty, the New York University
administration was able to create a new image of the future toward
which to orient a vastly different university. (AF)

STANFORD CENTER
FOR RESEARCH AND DEVELOPMENT
IN TEACHING

Research and Development Memorandum No. 58

IMAGES OF THE FUTURE AND
ORGANIZATIONAL CHANGE: THE CASE
OF NEW YORK UNIVERSITY

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January 1970

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Introductory Statement

The central mission of the Stanford Center for Research and Development in Teaching is to contribute to the improvement of teaching in American schools. Given the urgency of the times, technological developments, and advances in knowledge from the behavioral sciences about teaching and learning, the Center works on the assumption that a fundamental reformulation of the future role of the teacher is required. The Center's mission is to specify as clearly, and on as empirical a basis as possible, the direction of that reformulation, to help shape it, to fashion and validate programs for training and retraining teachers in accordance with it, and to develop and test materials and procedures for use in these new training programs.

The Center is at work in three interrelated problem areas: (a) <u>Heuristic Teaching</u>, which aims at promoting self-motivated and sustained inquiry in students, emphasizes affective as well as cognitive processes, and places a high premium upon the uniqueness of each pupil, teacher, and learning situation; (b) <u>The Environment for Teaching</u>, which aims at making schools more flexible so that pupils, teachers, and learning materials can be brought together in ways that take account of their many differences; and (c) <u>Teaching the Disadvantaged</u>, which aims to determine whether more heuristically oriented teachers and more open kinds of schools can and should be developed to improve the education of those currently labeled as the poor and the disadvantaged.

Research and Development Memorandum No. 58, which describes the far-reaching changes at New York University that resulted in a virtually new university, comes from the project on Organizational Change: The Study of Innovations in Educational Institutions, which is a part of the Environment for Teaching program. The NYU study documents how innovation and change can be brought about in an institution of higher learning. It thus contributes to the Center's main objective by providing a concrete case study of how an educational environment was reshaped so as to encourage an improvement in teaching.

Abstract

This paper discusses the impetus toward change in formal organizations. The experience of New York University is cited to illustrate that change can take place both because of forced necessity and as a result of conscious planning. The way in which NYU's administration perceived and dealt with the threat to its existence posed by competition from state universities which had gradually taken over many of its functions is described as a case study. In spite of bitter opposition from a portion of the faculty, the administration prepared and executed a major departure from a long-standing and much-revered ideology by creating a new image of the future toward which to orient a vastly different university.

IMAGES OF THE FUTURE AND ORGANIZATIONAL CHANGE:

THE CASE OF NEW YORK UNIVERSITY[1]

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This paper deals with problems of policy planning in formal organizations, especially as these policies relate to the long-range goals and future strategies of an organization. It is essentially a study of one type of organizational change, a type that is deliberative and purposive rather than simply a reaction to nonplanned factors. The present study attempts (a) to specify some of the forces that cause an organization to plan deliberate changes and (b) to follow the planning process through its inception and elaboration stages.

A growing body of literature in political sociology and political science discusses social change on a national scale, most of which deals with the political development of underdeveloped countries. One major branch of this research, dealing with future-oriented ideologies as impetuses for social change, is generally called research on "images of the future" (e.g., the work of Wendell Bell, 1964; Charles Moskos, 1967; James Mau, 1968; and Ivar Oxaal, 1967).

However, when we turn from the societal level to the organizational level, we find that there has been almost no research on ideology and future planning as a source of change in complex organizations. Most studies on organizational change have focused on "rational planning" as it is implemented in business organizations, but this approach usually ignores ideological factors and certainly does not fall within the same tradition that guides the studies of developing nations. One exception was Philip Selznick's (1948) work on the Tennessee Valley Authority in

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[1]This paper will appear in different form as a chapter in Wendel Bell and James Mau (Eds.), The study of the future (in preparation).

which he devoted considerable attention to the "image of the future" as
articulated by the Authority, and the consequences that resulted when
the image was put into practice. Similarly, Charles Perrow (1961) and
others have dealt with the problem of goal setting in organizations,
but the systematic analysis of future images was not an important feature
of their work. All in all, organizational theorists have devoted little
attention to ideological elements as they affect organizational change.

The present report attempts to focus attention on this neglected
area by showing how ideological positions are critical in organizational
change. The research grows out of an analysis of change processes in
organizations that is being funded by the Stanford Center for Research
and Development in Teaching. This is a long-term project that is devel-
oping some theoretical framework and empirical support for a theory of
organizational change.

In addition, this paper depends heavily upon research on organiza-
tional change the author conducted at New York University in 1967 and
1968 (Baldridge, in press). This was an intensive case study of three
major changes in the university, one of which will be reported here.
The study's techniques included (a) study of documents, (b) observation
of decision-making bodies, (c) interviews with 93 faculty and adminis-
trators, and (d) a questionnaire sent out to all the full-time faculty
and administration of the university, of which 693 (40%) were returned
and usable.

Organizational Change: Forced Necessity or Planned Change

In order to outline some of the theoretical background it is neces-
sary to touch briefly on one of the most persistent arguments cutting
through study of social change, for there seem to be two dominant answers
to the question of how change is caused.[2] On one hand, a Marxist school
of social change argues that change is provoked by constraining factors

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[2]For a review of these two positions and some of their major pro-
ponents, see Etzioni (1964, pp. 6-9) and Birnbaum (1953).

that force some type of adaptation. This might be called a theory of "adaptation to necessity." Marx, for example, analyzed one historical case by arguing that social change was promoted by the economic features of the British society, quite apart from the value positions or ideological stances of the people involved. Marx suggested that material and structural features of the society were the bases of social change, and that value positions and ideological statements were only an intellectual superstructure for justifying and explaining that material base. This is a persistent theme in sociological change analysis, and it argues that change is promoted by external conditions, material factors, or structural frameworks. From this perspective change is largely a question of adaptation to necessity, not of rational planning or goal-oriented behavior. Most organizational change theorists seem to fall within this school for they emphasize the importance of technological advances, the unintended consequences of bureaucratic structure, and the unplanned and unintended features of informal groups processes. From this perspective change is not planned or goal directed, but is instead dictated by the necessity of adapting to some structural condition, be it economic, organizational, or technological.

A second explanation for the causes of change grows out of the work of Max Weber (1958). Rather than focusing upon Marx's "real factors," Weber focused upon the "ideal factors." Where Marx had focused upon the technological, economic, structural, and materialistic base as the prime agent of social change, Weber stressed the role of future orientations, ideological components, and value positions. His classic study of The Protestant Ethic and the Spirit of Capitalism (Weber, 1958) attempts to show how value orientations promoted social change in the Puritan society. This strand of sociological analysis emphasizes the importance of planning and the critical role that images of the future play in promoting social change. It is from this tradition that the research on images of the future in developing nations is drawn.

Thus, there is a constant debate about the causes of social change, with some authors following Marx by emphasizing structural features of

the organization, technological innovation, and economic necessity, and others following Weber by stressing the importance of rational planning, future orientations, and ideological stances. The battle between the "realists" and the "idealists" continues, although it becomes more and more obvious that they are actually complementary approaches.

This paper will emphasize one side of the debate, for it concerns particularly the role of ideal factors, ideological positions, and images of the future as they affect organizational change. However, it will be necessary throughout the paper to point out the interrelationships between these two strands of argument, for ideal factors are always framed and supported by structural features and pressures that come from the external environment. Much of the discussion will attempt to show how "images of the future" and "constrained necessity" dovetail in an adequate interpretation of organizational change processes.

The following are some of the critical questions that guided the study of change processes at New York University:

(1) How do constraint factors and images of the future interact in the empirical situation as the organization changes? In other words, how can we weave back together the insights derived from Marx and Weber?

(2) What is the role of critical organizational elites and interest groups in change?

(3) How do groups in the organization interact to set the content of the image of the future?

(4) How do abstract images of the future become operationalized into concrete policy?

(5) Once the image has been operationalized what kinds of political debate and activity surround its implementation?

(6) How are structural adjustments made in the organization to protect the new goals and images?

(7) What kinds of consequences, intended and unintended, flow from the implementation of the image?

We will return to these questions at the end of the paper after presenting the New York University case material in the next section.

Case Study: The Change Process at NYU

The role that a university plays in society is both planned and accidental, both deliberate and a whim of fate. The role of NYU as an institution of higher education is a strange mixture of historical events, deliberate planning, and pressure from many sources. This will examine some critical changes in NYU's role that have occurred over the last few years.

Pressures for Changing NYU's Traditional Role

For many years NYU had a consistent interpretation of its role in New York higher education. From its founding the university offered educational opportunities to all types of people, including underprivileged minority groups and students of relatively low academic ability. This was all part of a consistent philosophy about the university as a "school of opportunity," and in this sense, NYU was in the best tradition of the great "American dream." Generations of NYU students and faculty testify to the importance of this philosophy to their lives, and many a Wall Street businessman or New York teacher will give credit to the chance that NYU afforded him. Large groups of the faculty were strongly dedicated to this ideal and were willing to fight when that image of the university was threatened.

Times were changing, however, and not all the members of the university community were happy with a philosophy that accepted large numbers of relatively poor students and then failed many of them. As one professor said:

> Sure, we were the great teacher of the masses in New York City.
> In a sense this was a good thing, and we undoubtedly helped
> thousands of students who otherwise would never have had a
> chance. But we were also very cruel. We had almost no admis-
> sion standards, and a live body with cash in hand was almost
> assured of admission. But we did have academic standards, and
> we were brutal about failing people. There were many years in
> which no more than 25-30% of an entering class would graduate.
> Sure, we were the great "School of Opportunity" for New York,
> but the truth of the matter is that we were also the "Great
> Slop Bucket" that took everybody and later massacred them.

From the inside, then, there was mounting opposition to the "school of opportunity" philosophy with its low admission standards and high failure rates. In particular, professors from liberal arts and graduate units objected to standards that lowered the university's student quality. Internal pressure for change was slowly building up.

External events were also pressing the university toward a reevaluation of its goals and image. Organizations are seldom the sole masters of their fates for external forces of various kinds impinge upon them, shaping, remaking, and molding them in many ways. NYU exists in an environment in which other universities are competing for resources, students, and social influence. For many years NYU was the major "service university," while the City University of New York and Columbia maintained extremely high standards, and did not serve the bulk of the student population. In the early 1960's, however, the picture changed, as the state and city assumed more responsibility for educating the masses. An extensive network of junior and senior colleges was opened and expanded and the public university enrollments shot up dramatically, partly because the public schools charged very small tuition rates, while privately supported NYU was forced to charge extremely high fees. In short, the competitive position of NYU vis à vis student enrollment was severely threatened by the rise of the public institutions.

The results were rapid and dramatic. In 1956 NYU published its Self-Study, a major attempt at long-range planning which foreshadowed many of the changes that were to occur shortly. The authors of that farsighted document were at least aware of the threat the public institutions held for NYU, but it is doubtful that they understood how close that threat was. In fact, they state with some confidence,

> Even the enormous expansion of the tuition-free city college system with its excellent physical plant has not as yet substantially affected the character of NYU . . . . (New York University, 1956, p. 11).

The Self-Study went on to predict increasing enrollments for NYU over the decade from 1955 to 1966. By the early 1960's, however, it was obvious that the expected growth patterns were simply not materializing. Figure 1

FIGURE 1

Comparison of Enrollment Figures:
Self-Study Projections and Actual Figures

	Self-Study Projection
	Actual Figures
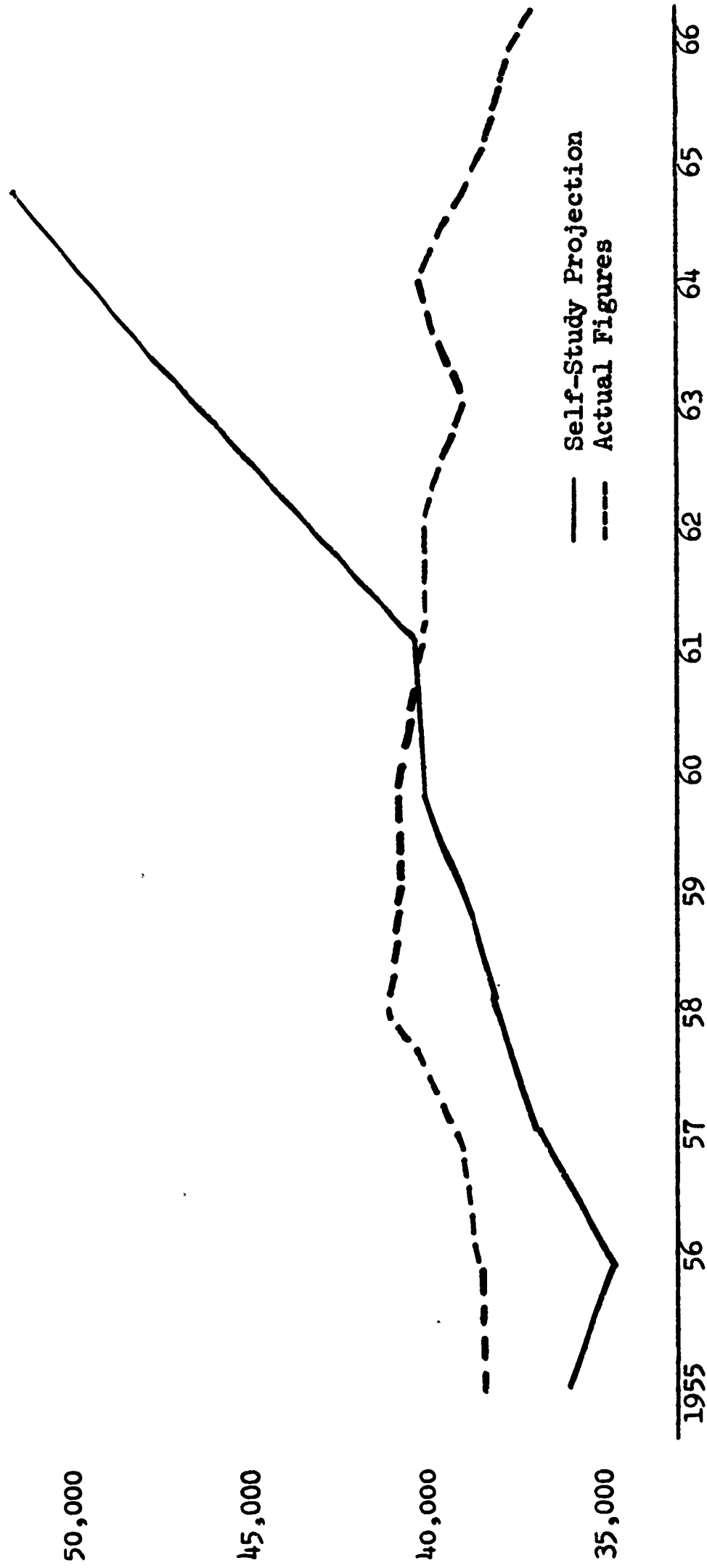
compares the Self-Study projections and the actual enrollments for the
period 1955-1966. By 1966 the actual figures were running a full 20%
behind the predictions. As one administrator viewed it, "We certainly
anticipated pressure from the public universities, but frankly the pinch
came ten years ahead of our expectations."

NYU was seriously threatened by the competition of the public uni-
versities, for not only were they losing students but the financial
stability of the institution was being undermined by the loss of vitally
needed tuition. The question was how to frame a new image of the uni-
versity that would serve the educational needs of the people and the
organizational needs of NYU.

The Political Struggle for a New Image of the Future

From a sociological perspective it is critical to see that the
resultant plans for the future were framed by a political context, and
pressures were impinging on the decision makers from numerous sources.
On one hand, there were the internal pressures for change from the
liberal arts groups and from the graduate schools. On the other hand,
the external challenges from the public universities made a confrontation
virtually inevitable. The forces for change were great, but there were
also groups that had strong vested interests in the status quo. At least
three major units of the university--the School of Education, the School
of Commerce, and influential alumni--were strongly committed to the school
of opportunity image. However, it was this image that was being chal-
lenged as the university searched for a new educational role.

By the end of 1961 a debate about the future of the university was
quietly raging behind closed doors. The discussion went far deeper than
the mere question of how to recruit more students, for the essential
issue was really about NYU's total educational role.

By the end of 1961 a debate about the future of the university was
quietly raging behind closed doors. The discussion went far deeper than
the mere question of how to recruit more students, for the essential
issue was really about NYU's total educational role. Could NYU continue
with business-as-usual, or was this a critical turning point? Many of

the top administrators felt that the time was ripe for a deep-rooted and sweeping evaluation of NYU's future destiny. This was particularly true in light of the financial crisis that was facing the institution.

In terms of an images-of-the-future analysis, the debate at this point involved the goals and long-range commitments of the university. The assessment at this stage was not that the university should adopt some type of management techniques to solve its financial crisis, but that it would have to develop new goals and new orientations to the future if it was to survive as a significant element of American higher education. Confronted with pressures from many sides, the leaders of the university deliberately started to "tinker with the future." NYU was consciously changing its goals and deliberately projecting a new self-image, a new institutional character. In essence a strange paradox was developing, for the "constraint" factors were forcing the university into an examination of its future goals and ideological commitments--Marx and Weber were joining hands!

At this time several events pushed the changes even faster. First, James Hester, who had been Executive Dean of the liberal arts units for two years, was selected to be president in 1962. The new president was acutely aware of these problems and made it his first order of business to confront them. Second, the Ford Foundation invited NYU to make an application for a comprehensive development grant. This opportunity was seized as a critical element of financial support for changes that would soon be instituted. In early 1962 several committees were appointed to formulate plans for the Ford request. Many questions about NYU's future educational role came under scrutiny, and numerous faculty bodies were invited to prepare proposals. How those discussions eventually reached the decision stage is a debatable question. On one hand many faculty members complained that the critical decisions were really made by a small group of administrators without much consideration of the faculty. On the other hand, some administrators claim that the faculty's contribution was limited because of their constant inability to look beyond the needs of their individual departments or schools to the needs of the entire university.

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In any event, it is fascinating to note how deliberately and consciously the university began to plan its future. The debate, fact finding, and committee work for the Ford request went on for more than a year. Rather than responding impulsively to the pressures of the moment, the university was attempting to plot its future course realistically after a careful study of its needs.

By the fall of 1963 the Ford Report was completed and the implementation of future policies awaited the Foundation's decision. Ford responded generously, expressing strong confidence in the plans. NYU was challenged to raise 75 million dollars from other sources to match Ford's 25 million dollars. Financial resources for the changes were now at least possible, although securing the 75 million dollars did not look easy.

There was no single plan that emerged from the Ford Report evaluation, but instead there was a complex interconnected series of changes for promoting NYU's new image of the future. They included:

(1) Undergraduate admissions standards would be raised substantially.

(2) The fragmented undergraduate program (Education, Commerce, Washington Square College, Engineering, and University College had separate programs) would be unified.

(3) An "urban university" orientation would be developed.

(4) More full-time faculty and students would be recruited, with more on-campus residences.

(5) More energy would be directed toward graduate and professional training, so that direct undergraduate competition with the state university would be avoided.

Not all these decisions were implemented at the same time, but over a period of months these moves began to gain momentum. It is important to note several things about these decisions. First, they represented important, far-reaching changes for the very nature of NYU. In a sense, the old NYU was being significantly transformed. Second, the relation to the external social context is particularly critical, for NYU was under serious attack from competing institutions that were undermining its traditional role. In large measure these decisions represented a "posture of defense"

for NYU, for without them it is quite probable that the institution would have been forced into severe retrenchment and stagnation as the public institutions assumed its traditional role and captured its traditional student population. Third, however, the posture of defense allowed a realistic development of new images of the future that could well turn potential disaster into a vital new educational role. The "constrained necessity" interpretation for organizational change inter-locks here with the "image of the future" approach.

The Role of Critical Elites in Shaping the New Image

Almost all studies of future images as impetuses for social change have to confront the question of whose image is accepted, and this raises the question of powerful elites and political interest groups. From the point of view of most people at NYU the new decisions "came down from the top." Without doubt it was a small group of top adminis-trators who made the critical decisions, and there were strong complaints that they were sometimes made arbitrarily with little consultation with the faculty, or even with most administrators. The overwhelming sentiment of the persons interviewed was that these decisions were carried out with a firm hand.

To be sure, the University Senate was consulted about most of the plans, but at that time the Senate was relatively weak and many people believe that it merely rubber-stamped a series of decisions that had already been made. As one Senate member put it,

> We were "informed" about these matters, and we were asked to vote our approval, but I wouldn't say we were actually "consulted" in any meaningful way. It was a one-way street-- they told us what they were going to do and we said "OK."

Of course, many faculty committees were working on the Ford Report, but few of the critical decisions came from these committees. The first time most of the faculty knew about these decisions was when they were publicly announced. As one rather bitter professor in the School of Commerce commented,

> The School of Commerce was about to have its throat cut and and we didn't even know about it until after the blood was

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flowing! Sure, Hester came over and gave us a little pep
talk about how much this was going to improve things, but
he didn't really ask our advice on the issue. He didn't
exactly say it was going to be his way "or else," but we
got the point.

On the other side of the issue, the administration clearly saw the

threats facing NYU as the public universities challenged them. It was

clear that something radical had to be done, and had to be done quickly.

Several administrators expressed strong disappointment in the faculty's

contribution to the Ford report, declaring that most of their ideas were

conservative and bound by entrenched loyalties to departments and schools.

In effect, many administrators felt--probably correctly--that they had a

broader perspective from which to view the problem than most of the

faculty, and therefore it was their duty to move into the situation as

the key "change agents." Further, they knew some of the moves would be

violently opposed, and extensive consultation might arouse enough hosti-

lity to defeat the whole matter. As President Hester explained in an

interview:

> The university was confronted with critical conditions. We
> had to undertake action that was radical from the standpoint
> of many people in the university. Some of these changes had
> to be undertaken over strong opposition and were implemented by
> administrative directives. In two of the undergraduate schools
> a number of faculty members had accepted the "school of oppor-
> tunity" philosophy as a primary purpose of their school. This
> had been justifiable at one time, but no longer. Many faculty
> members simply did not recognize that circumstances had changed
> and did not accept the fact that the service they were accus-
> tomed to performing was now being assumed by public institutions
> at far less cost to the students.
>
> At this point the administration had to be the agent for change.
> It was incumbent upon us to exercise the initiative that is the
> key to administrative leadership. In the process, we did inter-
> fere with the traditional autonomy of the schools, but we be-
> lieved this was necessary if they and the university were to
> continue to function.

It might be helpful to examine some of the factors that enabled the

administrators, as a critical elite, to execute this change so successfully.

First, the power of the central administration was greatly enhanced

following a decade of centralization which had been initiated under the

strong leadership of President Henry Heald in the early 1950's. Before Heald's administration NYU had been a very loose collection of essentially autonomous schools. His tenure, however, brought much power to the central administration. President Hester's success very much depended on President Heald's success several years earlier. If the same moves had been made a decade earlier, they might well have failed.

Second, Hester was a new, popular president who could still rely heavily on the "honeymoon effect" to carry the day for him without too much threat. The trustees were obviously going to back their new man, even if a substantial part of the faculty opposed the move--which they did not. Moreover, as one Commerce professor noted, "Hester is as close to a popular president as any you'll find, and that makes him a hard man to beat on most issues." The general faculty appears to have agreed, for when they were asked to indicate their "general confidence in the central administration of the university" on a questionnaire, they indicated a high degree of confidence. Table 1 compares responses to this question in 1968 with a 1959 Faculty Senate Survey.

Table 1

Degree of Confidence in Central Administration

(All Faculties Combined)

	N	High	Medium	Low
1958	580.	40.3%	17.6%	42.1%
1968	693	47.4%	32.0%	20.6%

Thus, the popularity of the central administration and Dr. Hester's newness to the presidency were major assets as the administration struggled to implement its decisions.

Third, support for these changes came from large segments of the faculty. Cross-pressures from interest groups on either side of an issue often allow decision makers more freedom, and allow them to press for changes that would be impossible if most groups lined up in opposition. This is exactly what happened in this particular case. Many liberal arts

professors were strongly in favor of the rise in admissions standards, especially since the new standards hurt the nonliberal arts units the most. In addition, many graduate level professors felt that raised standards in the undergraduate levels would indirectly improve the graduate programs and would certainly give them better undergraduates to teach. Thus, there were powerful interest groups supporting the change, as well as opposing it.

Fourth, the decisions were successful because of the obvious bureaucratic weapons which the central administration controls. There is a centralized admissions office at NYU and the central administration could achieve some of its new goals simply by instructing the admissions office to raise standards, thus effectively by-passing the opposition that centered in some schools. In addition, the twin powers of the budget and personnel appointment were often brought to bear in the struggles that followed the decisions.

Finally, one of the most important reasons that these dramatic changes could be introduced was the external threat NYU faced from the public institutions. It is one of the most common findings of sociological research that groups threatened by external forces will tolerate many internal changes that they otherwise would fight to the death. The administration was willing to fight for changes that would save the university and the trustees, convinced that these changes were imperative, stood solidly behind the administration.

Translating an Image into Action

The new program was implemented during 1962-63 and 1963-64. The effects were dramatic and had repercussions throughout the university. First, admissions of undergraduates dropped 20% in the period from 1962 to 1965, as can be seen in Figure 2. The sharp dip is largely due to the increased admissions standards. This drop in enrollment cut off vitally needed tuition funds at the very moment when approximately ten million dollars above normal costs were needed to carry out other aspects of the quality up-grading. By 1967, however, the new policy was successful, for enrollment rose again as the university attracted large numbers of better students.

Figure 2

Undergraduate Enrollment New York University,
Fall 1960 through 1967-68
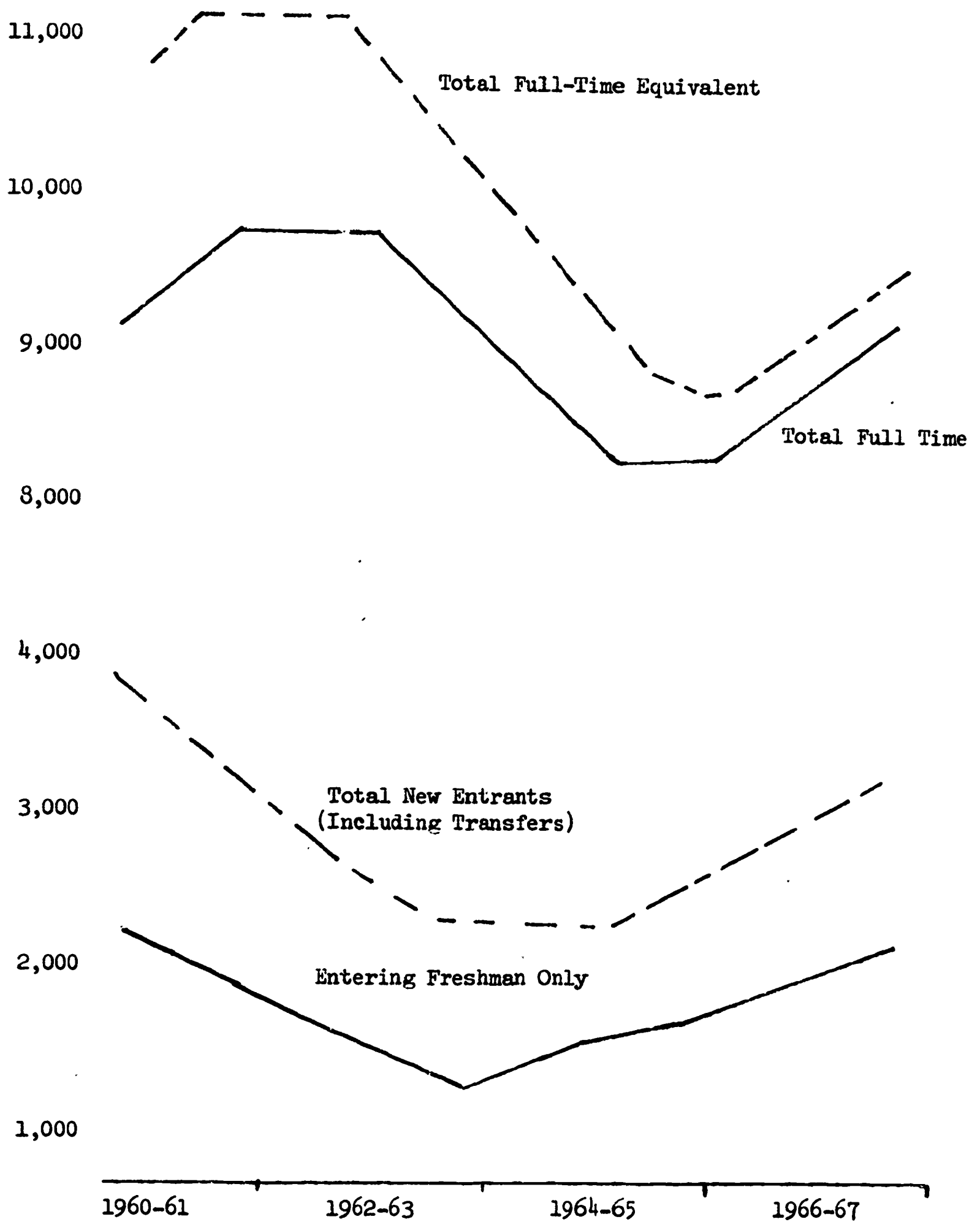
A second indicator of the impact of the changes was the rise in the test scores of entering freshmen. Figure 3 shows the Scholastic Aptitude Test scores of entering NYU freshmen from 1961 to 1966 (from Cartter, 1968). Arnold Goren, the Director of Admissions, is probably doing more than exercising his public relations duties when he calls this a "fantastic" increase for this short time.

Figure 3

Percentage of Freshmen with SAT Scores Above 600: 1961-66
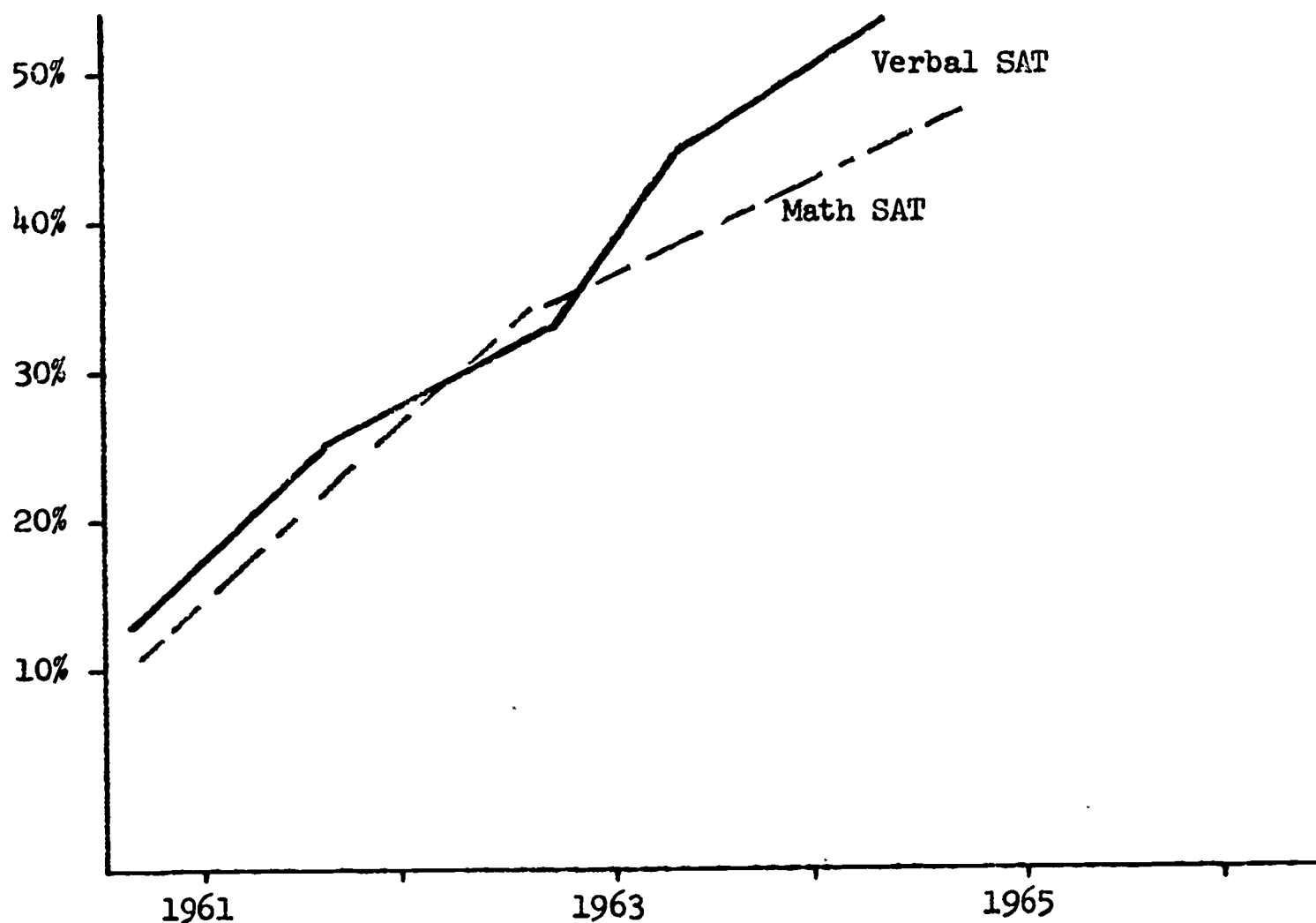
A third indicator of the changes is related to student housing. As part of the new role for NYU more emphasis was placed on attracting students from outside New York City, and upon drawing more full-time resident students. In order to do this the university was forced to go into student housing on a large scale. Moreover, the recruitment of a full-time faculty also demanded more housing, and the university added faculty residences almost as rapidly as it did student housing. Figure 4 shows the increase in students who are housed directly by the university.

Figure 4

Students in University Housing: 1960-67
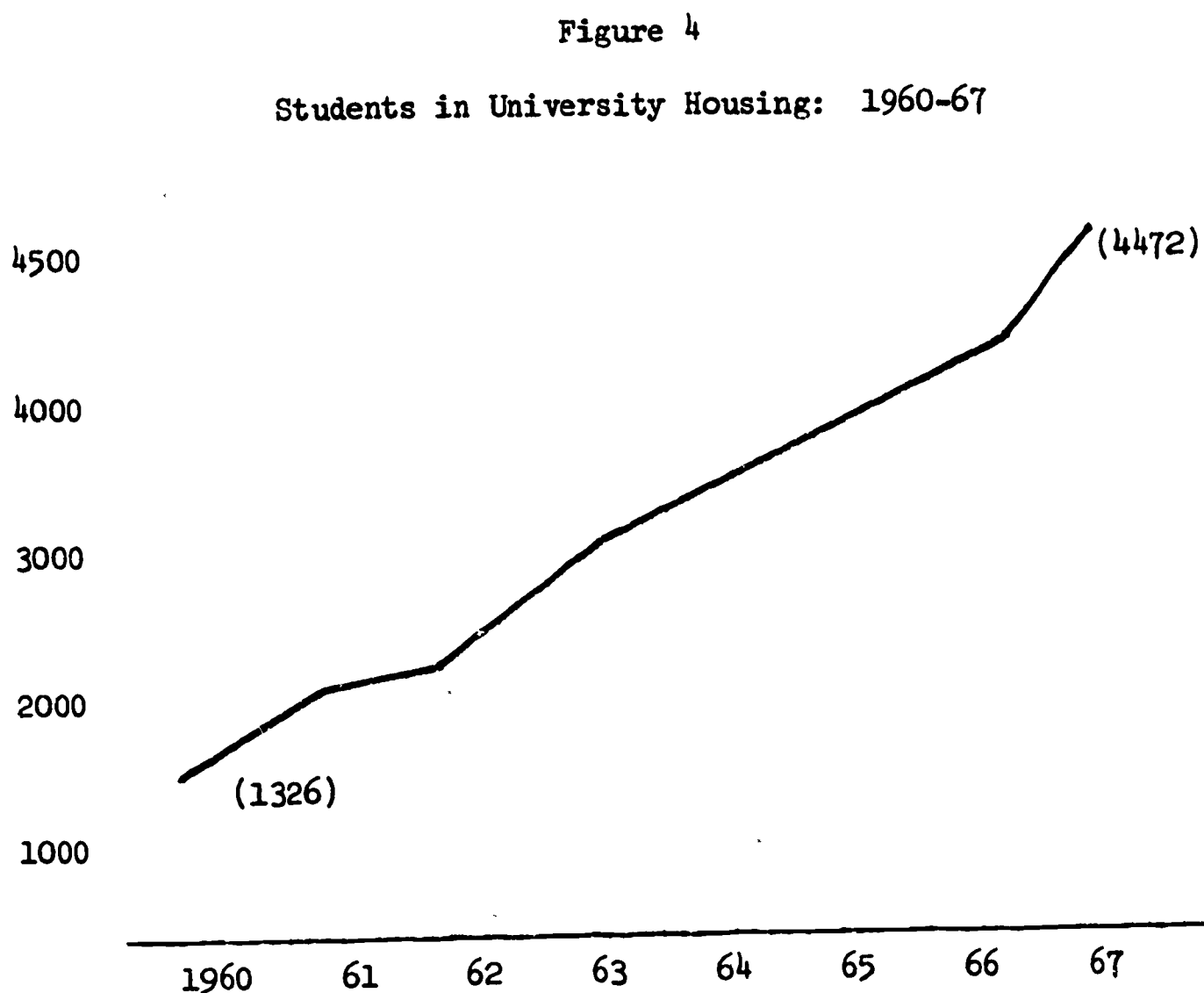
A fourth change was in the composition of the graduate student enrollment. There has been a major shift in emphasis toward more full-time graduate students in the arts and sciences, while students in the professional schools have remained relatively constant. Figure 5 (data derived from Cartter, 1968) shows this very clearly. In 1960 only 23% of the graduate enrollment was full time, while by 1967 the full-time graduate students had tripled in only seven years. In fact, NYU's commitment to graduate and professional education is shown by the fact that of the 6,908 degrees granted in 1967, nearly two-thirds (4,549) were either graduate or professional.

A fifth change was the development of the Coordinated Liberal Studies Program. NYU had undergraduate programs in Washington Square College, in University College, in the School of Engineering, in the School of Commerce, and in the School of Education. Many of these programs were almost exact duplications resulting in administrative overhead, inefficient use of faculty, and ineffective use of space. In addition, segregation of the courses into schools meant that students were often isolated and could seldom have the intellectual stimulation that comes with diversity in the classroom. In the mid-1950's a Gallatin College concept was proposed by Chancellor George Stoddard. This college was to consolidate all the undergraduate units for the first two years. The plan seemed reasonable and would eliminate much duplication while lowering educational costs and expanding the horizons of the students. However, at that tin the plan was politically premature and was quickly killed by the opposition of the various schools with vested interests in the fragmented pattern.

Although Hester, coming from outside the university to assume his deanship in 1960, was amazed at the administrative duplication in the undergraduate program, he was then unable to change anything. But in 1962, when he became president of the university, he renewed the battle for coordination. A commission was set up in February 1963 to make plans for some type of compromise coordination system. Eventually plans for the Coordinated Liberal Studies Program were included in the Ford Report. In September 1964, the program was officially launched, over the strong opposition of the same groups that had previously been opposed to the

Figure 5

Enrollment in Graduate and Advanced Professional
Education: 1960-67

Enrollment
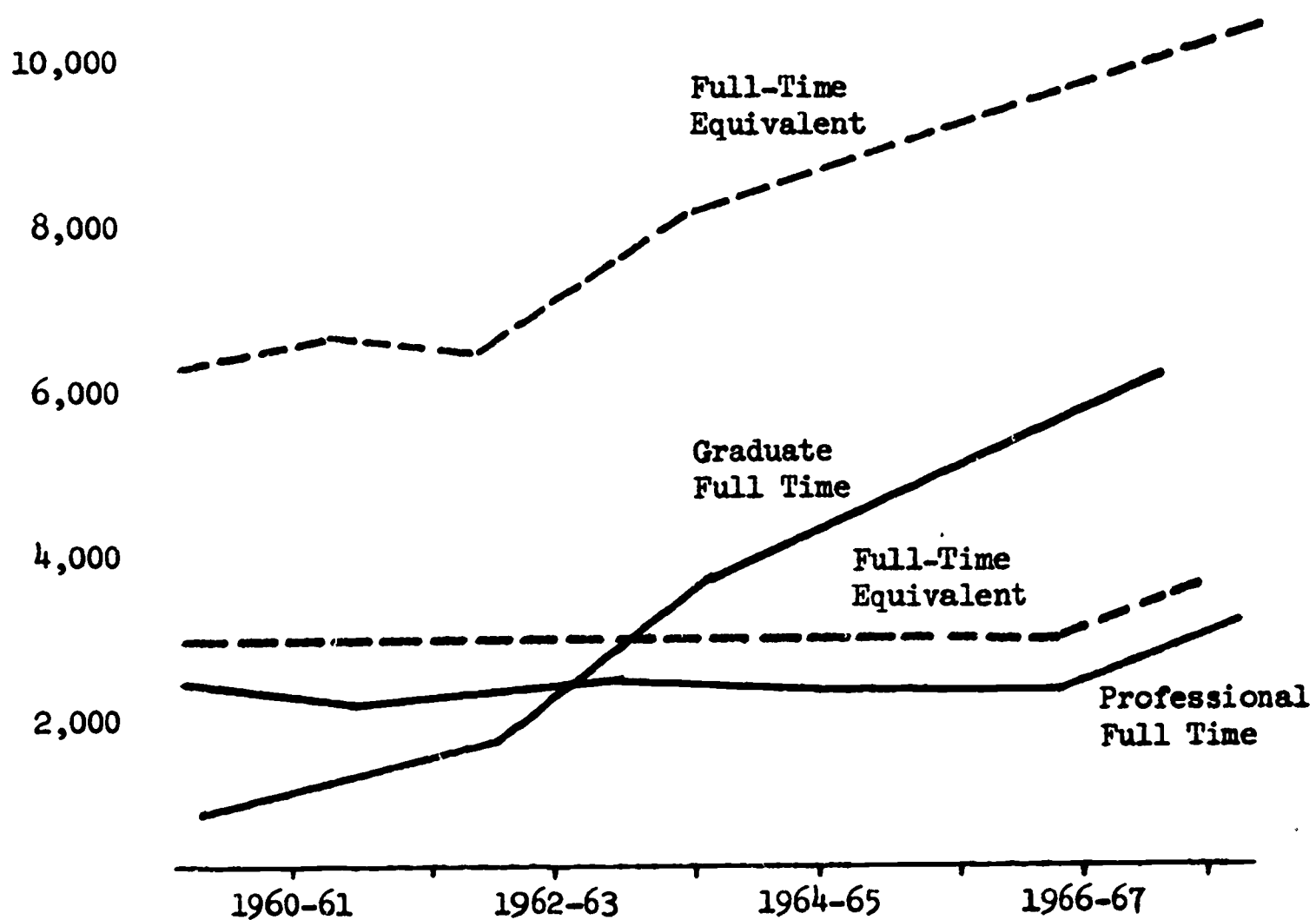
Gallatin College idea. This time, however, the plan was much less radical, for it involved only the combination of the first two years of study for Washington Square College, Education, and Commerce. Thus, the battle was not completely lost by the opponents, and the strength of the resistance is obvious from the fact that it took all the power of the president's office to insure that it even got a trial run. The plan has been in operation several years now, and most of the political controversy has abated.

When Images of the Future Clash: The Impact on the School of Commerce

The previous section dealt with the implementation of the new goals for the whole university, but this section will focus in closer on one unit that resisted those changes. Increasing admission standards, moving to full-time students and faculty, and a general upgrading in quality changed the School of Commerce dramatically. Commerce was one of the schools most fully dedicated to the "school of opportunity" image and it had a large core of professors who fought strongly for this value when it was threatened. The officials in the central administration had made the critical decisions, but vested interest groups in Commerce were determined to fight it all the way.

Not all the faculties of business education in the university were opposed to the changes, however. The Graduate School of Business, a separate unit for graduate and advanced professional degrees, wanted to establish itself as a major research center and as a nationally reputable business education unit. Its professors were much more oriented to scholarly research on industry and business, and they feared that the undergraduate School of Commerce was damaging the reputation of business studies at NYU. Thus, the professors of business education at NYU formed two distinct interest groups with two different emphases, each fighting for a different image of the future of NYU. The central administration had allies in the GSB professors.

However, this did not make the battle any less difficult, for the Commerce professors believed they might be out of a job if all these

changes were instituted. They feared reduced enrollments, a loss of the night school program, decreases in the size of the faculty, and a general lowering of their influence in the university. And the things they feared most happened in a short time!
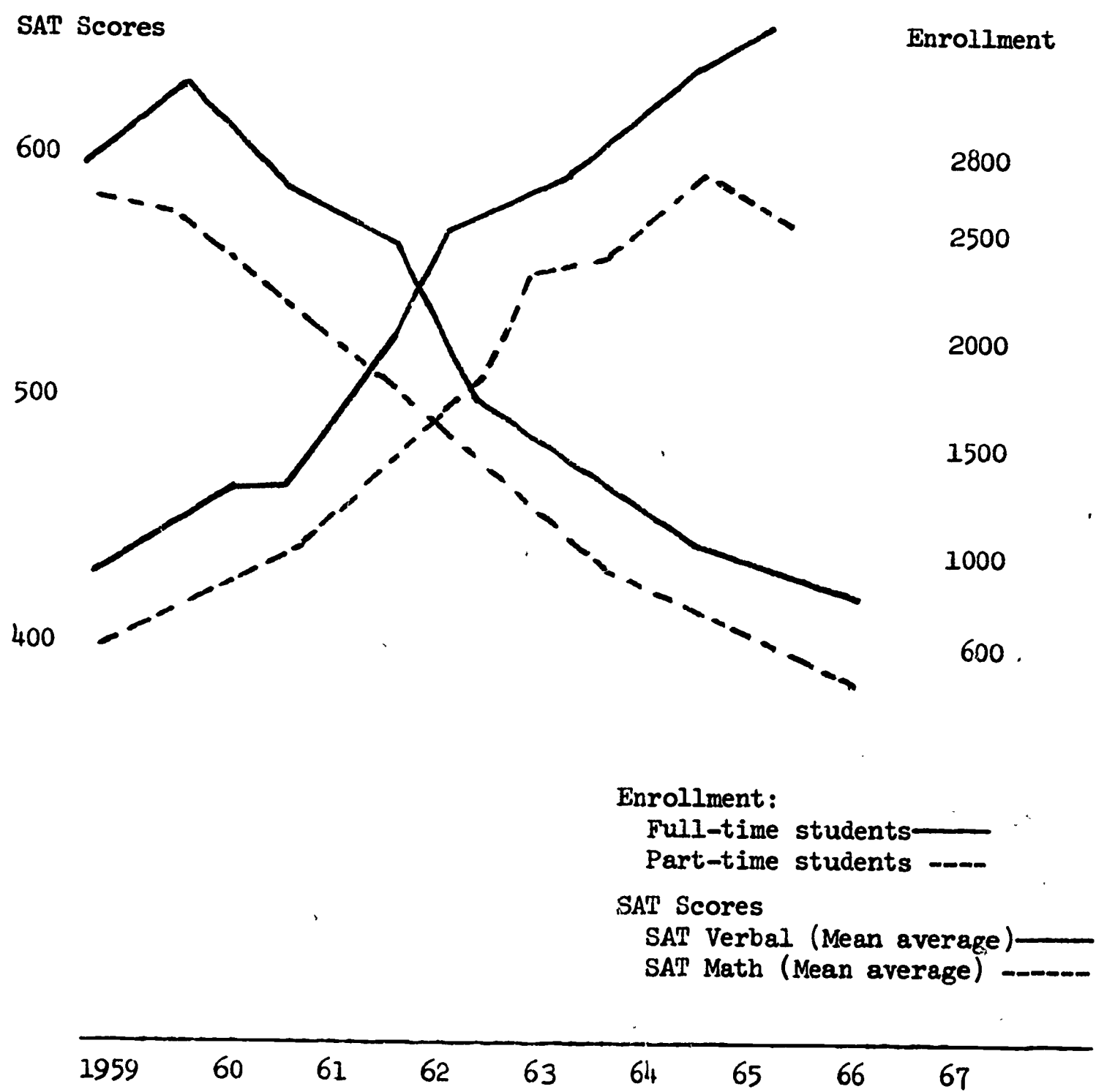
Probably the majority of the Commerce faculty was opposed to major changes in their basic philosophy and to changes in admissions policies. Moreover, the administration's chief representative on the scene, Dean John Prime, was not totally convinced that the changes were desirable. Dean Prime resisted many of the changes, and his faculty was strongly behind him. A real power struggle developed but in this battle the administration had most of the weapons. As one professor put it:

> I guess now that it's all over these changes were good for us. But we fought it all the way; there was a fantastic battle. Actually, I'd say it was rammed down our throats. Several foundations made reports which suggested we were too "provincial," and we needed to upgrade standards and eliminate the duplication in our undergraduate programs. But remember, this was done by academic types, who really didn't understand a professional school and were prejudiced against us. This would not have happened a few years ago when the whole university lived off Commerce's surplus money. It is only our growing weakness which made this change possible. The various schools are always competing, and at this moment we are in a bad relative position.

For many months the task of implementing the new changes went on against strong opposition. Finally, two major changes in Commerce leadership were announced. In April 1962 Commerce was placed under an Executive Dean who was over both Commerce and the Graduate School of Business. Then in September 1963 Dean Prime resigned, and Dean Abraham Gitlow was appointed as local dean at Commerce. Both Executive Dean Joseph Taggart and Dean Gitlow favored the administration's plans for upgrading quality in the School of Commerce. About that time the major breakthrough came in faculty cooperation.

By almost any yardstick the School of Commerce is radically different from what it was a few years ago. The most dramatic example is what might be called the "X" effect. The following chart shows how SAT scores went up and how enrollment figures went down (data from New York University, 1968).

Figure 6

The "X" Effect
Changes in the School of Commerce
Enrollment and SAT Scores: 1959-67

SAT Scores   Enrollment

600   2800

                                                     2500

                                                     2000

500   1500

                                                     1000

400   600 .

Enrollment:
    Full-time students———
    Part-time students ----

SAT Scores
    SAT Verbal (Mean average)———
    SAT Math (Mean average) ------

1959   60   61   62   63   64   65   66   67

As mentioned before, many Commerce professors feared they might lose their jobs if enrollments were drastically cut--and they were right. A faculty of nearly 300 in the late 1950's dropped to 61 in 1967-8. Many part-time members were dropped, nontenured people never were tenured, and even a few senior men were "bought off" to retire early. Very few new people were hired during that time, and many left for one reason or another.

Without a doubt the changes hit Commerce very hard. A resisting faculty was cut to the bone; a dean retired; the autonomous School of Commerce was placed under an "executive dean" who was also in charge of the Graduate School of Business; many courses were wrested from Commerce and put in the Coordinated Liberal Studies program; the student enrollment decreased radically. On the other hand, the quality of the students, faculty, and program was vastly improved. Most people at NYU now feel that these changes were necessary--even present members of the Commerce faculty. Nevertheless, the old School of Commerce died in the political struggle, and one of the most powerful organizational interest groups on campus was hobbled. As one Commerce professor put it, "We lost the fight, and now we have less influence on the university than we have had in 50 years."

NYU's New Image of the Future: A Summary Chart

Figure 7 provides a summary of the changes at NYU. It is obviously oversimplified, for many more factors went into these changes than these that have been discussed. Moreover, the interest groups that were supporting or opposing the changes are not monolithic masses, and there were many shades of opinion within each one. The issues were complex and the groups were often subdivided among themselves. However, this chart describes the general picture.

Figure 7

Developing a New Image of the Future for NYU

Outside Pressures
for Change:

Competition of
public universities

Internal Pressures
for Change:

Demands for
quality, more
graduate emphasis,
and consolidation
of undergraduates

NYU's
Traditional
Role

1. School of opportunity
2. General service
3. Part-time students
4. Mediocre students in
   many areas

Ford Report
New President } Catalysts for the changes

New Image of the Future

1. Upgrade quality
2. More full-time students and
   faculty
3. Coordinated Liberal Studies
4. Graduate and professional
   emphasis
5. "Urban University" emphasis

Opposition

1. Commerce
2. Education
3. Faculty who
   feared lower
   standards from
   Coordinated
   Liberal Studies
4. Alumni who favored
   "school of
   opportunity"
   philosophy

Results

Most goals
achieved after
hard political
fights

Support

1. Central
   administration
2. Graduate Business
   School
3. Trustees
4. Graduate School
5. Faculty who
   desired increased
   quality

Conclusions

What generalizations can be made from the case study material on NYU? A review of the questions asked at the beginning of the chapter will help to answer this question.

How Does Necessity Interact with Future Planning?

It is clear that organizations change both because of the force of circumstances and because of the future-oriented plans that are made. In a real sense determining which approach causes change is a false question, and the more interesting issue is how planning and the constraint of circumstances interact. In this case NYU was faced with a set of external events that threatened its very existence, and this hard necessity set off a chain of events in which future-oriented planning became a critical feature of the institution's response. Of course, it is conceivable that the university might not have responded in this manner, but could have muddled through, making ad hoc adjustments rather than bold plans. Thus necessity and the force of changing circumstances allow the possibility for creative planning, but do not always generate the reaction. The Marxian and Weberian insights contribute much to each other, for hard necessity and the future-oriented plans of men are almost always jointly involved in the change processes of the real world.

What Is the Role of Critical Elites and Interest Groups in Organizational Change?

"Hard necessity" may well develop out of the impersonal forces that surround the organization, such as population growth or interorganization competition, but the ideas and dreams that form the new image of the future for the organization always come from men. It is always critical to examine the issue of whose goals and images of the future are being used as a basis of action. There are many groups of elites in a large organization that have divergent goals and images of the future. For example, at NYU the central administration was one critical elite that had a vision of the future radically different from that of the School of Commerce faculty. A delineation of the various interest groups and their values is a critical component for the analysis of change processes.

How Do Groups in the Organization Interact to
Set the Content of the New Image?

Identifying the various interest groups and their values is a first
step, but the analysis must push further to determine how these groups
interact, and how one set of organizational interest groups is able to
impose its image of the future on the organization. This, of course, is
the classic question of politics, and a political framework is extremely
helpful for the organization theorist concerned with change processes.
In fact, the larger report on the NYU study deals extensively with build-
ing a "political model" for studying organizational change (Baldridge, in
press). A political analysis of elite interest groups must include a
discussion of the differences in values held by the groups, the tactics
they use, the nature of coalition formation between the groups, and the
kind of decision-making mechanisms used to settle the dispute. Setting
the new image for the organization is essentially a political process by
which "dominant coalitions" (Thompson, 1967, Chap. 9) impose their values
on the organization and plans are articulated in light of the compromises
that emerge from the political debate.

How Do Abstract Images of the Future
Become Concrete Policy

The political goal-setting process emerges with a set of future-
oriented plans, but these must always be translated from abstract images
into concrete policy that guides the organization's action. In the NYU
situation the abstract concept of "quality" was translated into concrete
policies about higher admissions standards, more full-time students, and
more emphasis on urban education. In the process of translation from the
abstract to the concrete images of the future often undergo subtle and
important changes, so the analyst must always be alert to the degree of
overlap between abstract idea and concrete action.

What Kinds of Political Debate and Activity
Surround Attempts to Realize the Image?

Concrete policy articulates the abstract goal but is rarely enough
to insure that it is completely carried out. One of the pervasive features
of political systems is that the very act of implementing a goal often

results in changes of that goal. Even after policy has been stated the
political battle goes on, for those elites and interest groups that lost
the original round of battle will struggle to recoup some advantages as
the policy is being implemented. For example, the state policies of the
university were vigorously opposed by the School of Commerce faculty long
after the original decisions and policies had been set. Thus, the analyst
of change in organizations must be sensitive to the continued controversy
over an image--it is not a static thing that once-and-for-all settles
issues, but instead is a living encounter between the dreams and goals of
conflicting interest groups and elites.

How Are Structural Adjustments Made
to Protect the Goals and Images?

Organization theorists, in particular, are sensitive to the issue of
structural arrangements for carrying out human goals. Selznick (1957)
argued that values and goals are not self-sustaining, but instead require
the protection of interested elites and structural frameworks. In fact,
organizations are the ingenious technique of modern man for translating
his images of the future and his values into stabilized structures that
work to actualize them. At NYU, for example, there were many structural
changes in the organization that were designed to advance the new image,
including the creation of a new Coordinated Liberal Studies Program and
the restructuring of the relations between the School of Commerce and
the Graduate School of Business. Values and images must be translated
into protective structures if they are not to wither and die on the
organizational vine.

What Kinds of Consequences, Intended and Unintended,
Flow from the Implementation of the Image?

The best-laid plans of mice and men often go astray but remarkably
enough they also work out right sometimes. The image of the future defines
a course of action and often this is the outcome that actually occurs.
NYU was taken out of direct competition with the state university, succeeded
in attracting higher quality students, and began to build a much stronger
image of quality in many areas. But this is only part of the story and
it is only fair to mention the high cost of such an enterprise, both in

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financial commitment and in terms of the human cost that unavoidably accompanied such a major readjustment. One of the most pervasive outcomes of the implementation of any image is the continued political controversy and readjustment which eventually builds up to the point that new images of the future are proposed and new battlelines are drawn--and the process of image building and image articulation begins again. So it goes with changing dynamic organizations as they struggle to implement the images and goals of men.

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