ALTERNATIVE FUNDING STRATEGIES AND RESOURCES FOR THE DEVELOPMENT OF UNDERGRADUATE INSURANCE AND RISK MANAGEMENT PROGRAMS: EXPLORING THE EFFICACY OF A THEORETICAL MODEL

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Submitted to the Faculty of the
Graduate College of the
Oklahoma State University
in partial fulfillment of
the requirements for
the Degree of
DOCTOR OF PHILOSOPHY
December, 2014

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ACKNOWLEDGEMENTS

When I started my doctoral program, I was unaware that the journey would be so long nor so arduous. It is not that I was unprepared or failed to do my due diligence. It is simply a function of the time and effort required of a doctoral degree program while teaching full-time in a finance department, conducting and publishing five academic journal articles plus conference presentations, and serving on a number of university and departmental committees. All this while maintaining family, church, and community responsibilities as well as dealing with health issues and cervical disk replacement surgery, and striving to preserve my sanity.

I could not have accomplished my doctoral degree without the love, care, and support of many wonderful people in my life. My greatest encouragement and inspiration has come from my family. My wife, Barbara, has provided praise when I was up, reassurance when I was down, and critique when I needed it, all while pursuing her doctoral degree. My daughter, Torrie, has provided support, encouragement, and critique throughout my doctoral journey while working on her own doctorate studies. My son, Devin, and his wife, Ema, have loved and prayed for me as they have been across the country and in Japan for all of my doctoral studies. The love of my grandson, Myles, has buoyed my spirit when I needed it, and the birth of a new grandson, Liam, has given me new strength and determination. It is the personal relationships in my life that allow me to pursue my professional and academic interests.

Outside of my immediate family, but within my personal sphere, I have been encouraged by many friends that love and care for me. My closest friend and minister and his wife, Michael and Lise Mazzalongo, and their children, have supported and cheered me on. My closest colleague and dear friends, Dr. David Chapman and his wife, Julie, have been by my side during this journey. My department chair, Dr. Randy Ice, and my colleagues have prodded and applauded my progression.

Academically, I owe a debt of gratitude to doctoral mentors and my dissertation committee members. First and foremost, Dr. Steve Wanger has provided an incredible level of support, guidance, and encouragement. Without his personal efforts, I would not have completed my doctoral studies. Dr. Kerri Kearney and Dr. Jesse Perez Mendez have pushed and helped me to get to this pinnacle, and Dr. Lynna Ausburn was gracious and supportive in serving as my outside committee member. Other faculty at Oklahoma State University have molded and shaped me along the way. Thank you to all for your lasting imprint on my path.

Acknowledgements reflect the views of the author and are not endorsed by committee members or Oklahoma State University.

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DECEMBER, 2014

ALTERNATIVE FUNDING STRATEGIES AND RESOURCES FOR THE DEVELOPMENT OF UNDERGRADUATE INSURANCE AND RISK MANAGEMENT PROGRAMS: EXPLORING THE EFFICACY OF A THEORETICAL MODEL

EDUCATIONAL LEADERSHIP AND POLICY STUDIES

Due to funding diminishment from traditional sources, many insurance and risk management undergraduate degree programs have turned to alternative funding resources in order to survive. This qualitative multi-case study interviewed key participants (college faculty, department chairs, and deans) in three insurance and risk management programs in order to identify the effects of systemic budget constraints and alternative public and/or private funding strategies and resources that were being utilized. Additionally, the collected data were analyzed to evaluate the appropriateness of Bess and Dee's *Models of Organization – Environment Relations* to an undergraduate insurance and risk management degree program. Their model incorporates organizational theories (resource dependency theory, contingency theory, institutional theory, population ecology theory, niche theory, and the random transformation model) to explicate policies and practices in higher education institutional organizations. Interview participants confirmed the effects of the funding decline, with the most significant impact being on faculty engagement. Alternative funding strategies were identified and categorized by the source of funds. An analysis of the majority of collected data indicated an alignment with contingency theory in all three programs. In exploring the efficacy of Bess and Dee's *Models of Organization – Environment Relations* (2012), this theoretical construct was evaluated for contextual appropriateness. This study proposed that this theoretical model may have value for consideration in evaluating an undergraduate insurance and risk management program's relationship with its external insurance stakeholders and donors.
Keywords: insurance and risk management undergraduate degree programs; alternative funding; Models of Organization – Environment Relations; organizational theories

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CHAPTER I

INTRODUCTION TO THE STUDY

Traditionally, state legislatures provided the majority of funding support for American public higher education (IES, 2010; Newfield, 2010; Toutkoushian & Shafiq, 2010). However, institutions of public higher education experienced a major shift in the sources of their funding over the past several decades (Cejda & Leist, 2006; Doyle & Delaney, 2009; McClendon, Hearn, & Mokher, 2009; NASBO, 2007; Tandberg, 2010). As traditional sources of public funding diminished, many universities turned to alternative public and private funding sources in order to survive and flourish (Ehrenberg, 2006; Harcleroad & Eaton, 2005; Lyall & Sell, 2006; Speck, 2010). Although this funding shift has affected most degree programs in higher education, the impact has been especially significant in specialty undergraduate degree programs. One of these types of undergraduate bachelor degree programs, Insurance and Risk Management, is the focus of this study.

There are 73 colleges and universities identified nationally with undergraduate bachelor degree programs focused on insurance and risk management and/or actuarial science. Using a base of approximately 1,325 colleges of business nationwide (College Source Online, n.d.), these

undergraduate insurance and risk management degree programs represent approximately five percent of institutions of American higher education that house colleges of business. The small percentage of these programs infers a higher risk of program cutbacks during periods of funding decline, potentially leading to program elimination.

This research study was designed to explore the efficacy of a theoretical model to inform and explicate an academic program's strategic behavior relating to funding development. To that end, the study explored the effect of diminished legislative funding on insurance and risk management undergraduate degree programs and discovered alternative sources of public and private funding being utilized for the development and expansion of these programs. Some undergraduate degree programs are titled Insurance, or Risk Management, or Insurance and Risk Management. These distinctions are negligible in practice. Insurance has been the traditional nomenclature and risk management has typically been a subset of insurance, which itself is a subset of the discipline of finance; most programs, however, are moving toward the more definitive and industry-supported term of Insurance and Risk Management.

Institutions that have an Insurance and/or Risk Management program typically house them in a College of Business. Other colleges or universities may only have an Actuarial Science degree, frequently located in the College of Mathematics. Some universities have a combination of all three programs. At many large universities with all three programs, they are invariably housed together in the business college. In practice, these disciplines are symbiotically

intertwined and cannot be totally separated and isolated from the others. For clarification purposes in this study, the term Insurance and Risk Management undergraduate degree programs includes any undergraduate bachelor degree in Insurance and/or Risk Management and/or Actuarial Science because all of these focus on the insurance industry and many programs include an emphasis on one or more in varying combinations.

The chapter that follows will present a background of the research study, identify the research problem, propose qualitative research questions as the focus of the study, address the significance of the research to the body of knowledge on alternative sources of public and private funding being utilized for the development and expansion of Insurance and Risk Management undergraduate degree programs, discuss an overview of the methodology, ascertain the delimitations of this research, and define specific key terms of the study.

Background of the Study

Although there are ancient references to methods of protection and guarantee, the modern concept of insurance and risk management can be sourced to Edward Lloyd's London coffeehouse in 1688. Ship owners and merchants would gather there to find wealthy patrons who would underwrite the risks of transporting freight and cargo across open waterways. In 1769, a group of investors in marine insurance created a syndicate called Lloyd's of London, which is still the largest insurance market in the world (Lloyd's, n.d.).

The first collegiate course in insurance was taught at the University of Pennsylvania's Wharton School of Business by Dr. S. S. Huebner in 1904. By

1913, Huebner founded the first collegiate insurance and risk management program in the world at Wharton. Dr. Huebner wrote the first textbooks for insurance courses on life insurance, property insurance, and marine insurance. He is credited as the pioneer in the development of insurance and risk management degree programs in higher education and Wharton established the S. S. Huebner Foundation for Insurance Education in 1941. A main objective of the Huebner Foundation is the development of insurance and risk management programs and their faculty (Huebner Foundation, n.d.).

A large number of universities that currently have insurance, risk management, and/or actuarial science programs are well-known and internationally respected research institutions with deep historical roots as the progenitors of insurance and risk management education in the United States. The University of Wisconsin - Madison inaugurated its Actuarial Science, Risk Management, and Insurance program in 1939, Florida State University established its Risk Management / Insurance degree in 1950, and both Temple University and the University of Georgia initiated their insurance programs in 1965 (RIMS, n.d.). Separate from these top tier flagship institutions, there are many smaller regional programs. Appalachian State University, Howard University, Middle Tennessee State University, and St. Cloud State University are representative of the many smaller, lesser-known regional universities that also offer undergraduate Insurance and Risk Management or Actuarial Science degrees. There are many states in the U.S. that do not offer an undergraduate Insurance and Risk Management or Actuarial Science program, thereby forcing

potential students interested in studying this discipline to seek out-of-state venues for a degree in this field.

The value of an undergraduate Insurance and Risk Management or Actuarial Science program is driven by career opportunities and the increasing demand for insurance professionals and educators. The insurance industry is concerned that it is populated by older practitioners and recognizes the need to attract new younger professionals to mitigate the industry's natural attrition due to the retirement of existing personnel, however, most college students express minimal interest in the discipline. A study on student perceptions of the insurance and risk management profession found that many business students, surveyed from two regional universities that offer insurance and risk management degrees, have a general lack of knowledge about either available undergraduate insurance and risk management degree programs or about the insurance profession (Berry, Berry, & Tippins, 2004). Many organizations and corporations are starting to recognize the importance of managers and administrators with expertise in insurance and risk management. This acute need is partly the result of the first decade of the new millennium which was marked by economic recession, world-wide natural disasters, persistent terrorist threats, and a catastrophic financial crisis. Following this resurgent industry demand for insurance, risk management, and actuarial science graduates, many undergraduate Insurance and Risk Management and Actuarial Science degree programs are preparing for substantial enrollment growth while facing public funding cuts (Holbrook, 2009).

Apart from higher education, the need for post-secondary training in insurance and risk management is evidenced by the plethora of industry certifications available for insurance and risk management practitioners. Many industry organizations provide training and certification for insurance professionals. For example, the Chartered Property and Casualty Underwriters industry organization's educational division offers 57 distinct courses for practitioner-based insurance education, many of which are available for articulation as college-equivalent coursework (AICPCU, n.d.).

Research Problem

One of the many deleterious effects of the systemic decline in legislative funding of higher education has been the reduction and/or elimination of many specialty undergraduate degree programs in colleges of business, such as insurance, real estate, advertising, and human resources. However, some colleges of business undergraduate degree programs in Insurance and Risk Management have flourished in spite of the diminishment of public funding. Although each successful undergraduate degree program in Insurance and Risk Management has its own unique characteristics and circumstances, there are many strategies and practices in common that institutions have implemented to mitigate and counteract their traditional funding deterioration. Several large nationally-ranked programs have successfully maintained their student enrollment and faculty levels due to status and prestige, research funding, and substantial endowments. Many mid-to-small programs have succeeded in spite of the decline in public funding and their lack of funded research and endowment largesse. These undergraduate

degree programs in Insurance and Risk Management have necessarily resorted to developing alternative funding strategies and resources to replace their traditional legislative financial support (Klein, 2012).

In the process of assessing how Bess and Dee's *Models of Organization – Environment Relations* (2012), which incorporates five organizational theories, may be an appropriate theoretical model that can inform and guide an undergraduate degree program in Insurance and Risk Management, this study discovered alternative sources of public and private funding utilized by some of these institutions. Typical alternative funding strategies and resources include a renewed focus on alumni support, charitable donations from individuals and foundations, endowments from corporate and individual benefactors, financial support from organizations within the insurance industry, and sponsorships and scholarships from corporations and industry organizations. Other potential funding from as yet unknown or unrevealed sources was revealed as they emerged in this study.

Research Questions

The following research questions guided this study:

1. How have undergraduate Insurance and Risk Management programs been affected by systemic budget constraints and funding declines?
2. What alternative public and/or private funding resources are currently being cultivated and utilized by undergraduate Insurance and Risk Management programs?

3. What theoretical modeling, if any, has been employed or developed by undergraduate Insurance and Risk Management programs to mitigate their funding deficits?
4. What information derived from the exploration of the efficacy of a theoretical model can be utilized to inform an undergraduate insurance and risk management program's mitigation of systemic funding decline?

Purpose Statement

The intent of this study was to discover any alternative public and private funding resources being utilized or considered by current Insurance and Risk Management undergraduate degree programs and to explore the efficacy of a theoretical model's [Bess and Dee's *Models of Organization – Environment Relations* (2012)] utilization in the alleviation of the perceived effects of funding diminishment due to the systemic decline in legislative funding of undergraduate Insurance and Risk Management degree programs. Three bounded systems, insurance and risk management undergraduate programs at three distinct universities, were explored through a qualitative multi-case study to assess the efficacy of Bess and Dee's *Models of Organization – Environment Relations* (2012) relating to funding and development in these undergraduate Insurance and Risk Management degree programs.

Significance of this Research

This research study was designed to contribute to the body of knowledge related to the funding and development of undergraduate Insurance and Risk Management degree programs. The literature in this academic discipline included

anecdotal evidence and peer-reviewed articles that discuss pedagogy and program development within the broader context of colleges of business, but virtually no peer-reviewed research studies, either qualitative or quantitative, that relate to program development and alternative funding resources specifically in undergraduate Insurance and Risk Management degree programs, and none that focus on theoretical modeling. This paucity of peer-reviewed research studies and published dissertations indicated a need for research, both naturalistic inquiry and empirical studies, on the financing and development of undergraduate Insurance and Risk Management or Actuarial Science degree programs. From a theoretical perspective, this research study attempted to discover any theoretical modeling that has been developed or is currently being utilized by undergraduate Insurance and Risk Management programs to mitigate their funding deficits. The validity of Bess and Dee's *Models of Organization – Environment Relations* (2012) was also evaluated. Regarding practice, the application of this theoretical model within this academic field could potentially be developed from this research, with utility especially among less successful and less well-funded undergraduate Insurance and Risk Management programs.

Overview of Methodology

This qualitative research study was grounded within the constructivist paradigm. In-depth interviews were conducted with college faculty, department chairs, and deans in three colleges of business that currently have an undergraduate Insurance and Risk Management degree program. These interviews identified any level of traditional funding decline experienced by these

programs, attempted to discover any alternative funding resources being used to mitigate the loss of legislative funding, and explored any theoretical models utilized for developing alternative funding resources. The interviews were semi-structured in that the research questions were the focus of the interview, but open-ended questions allowed, and encouraged, the interviewee to transport the inquiry progression into their own institutional culture and its relationship with their external environment. The interviews were digitally recorded, transcribed verbatim, and the transcript was provided to each interviewee for member-checking in order to provide data collection integrity and validity. The data were entered into a qualitative data analysis computer software program, MAXQDAplus11, for ease and accuracy in separating into pertinent data chunks and to analyze for applicable emerging themes and patterns. The collected data were analyzed to evaluate the efficacy of Bess and Dee's *Models of Organization – Environment Relations* (2012) appropriateness to an undergraduate Insurance and Risk Management degree program. The theories incorporated into Bess and Dee's *Models of Organization – Environment Relations* (2012) relational model (the resource dependency theory, the contingency theory, the institutional theory, the population ecology theory, the niche theory, and the random transformation model) are discussed in the literature review in Chapter Two. Detailed data collection methods and data analysis are discussed in Chapter Three.

Delimitations and Limitations

Delimitations establish the boundaries of a study while limitations address its prospective weaknesses (Creswell, 2003). A substantial delimitation of this

study is the small population of three bounded undergraduate insurance and risk management bachelor degree programs. Additionally, the narrow scope of this study, which attempted to explore the efficacy of a theoretical model by concentrating on alternative funding strategies and resources utilized for the development of these programs, was a substantive delimitation.

This research study was limited by its qualitative methodological design involving the perspectives of a specified selection of interview participants, within a specific context of shrinking legislative subsidization of higher education, and constrained by data collected during a specific time frame for the study (Patton, 2002). A limiting assumption was that the interview participants responded truthfully, without guile or deception, to my questions relating to their alternative funding strategies and resources. The role of the researcher in the qualitative interview interactions posed a potential bias. I am in the same discipline and in a similar capacity as some of the prospective interviewees. Although this creates a natural interest in this research topic, it was incumbent on me to maintain a distance of perspective and objectivity in order not to bias or contaminate the data. I have an academic relationship with faculty at the three Insurance and Risk Management undergraduate programs. As an academic colleague, I had a certain degree of leverage to acquire the interviewees' participation and access to their programs, however, I was compelled to guard against any pressure or influence from the participants relating to the study's findings. One method utilized to mitigate this issue was the preservation of institutional anonymity in this research study. Fictitious institutional and

participant names were utilized in the study in an attempt to maintain anonymity. Due to the delimitations and limitations of this study, generalizability and transferability of the findings cannot be extended beyond the confines of the study.

Definitions of Key Terms and Concepts

The following definitions were observed in this study:

Insurance and Risk Management undergraduate degree programs - These academic programs are designed to provide students with an overall academic background as well as a professional focus on the practice of managing risk, life and health insurer operations and products, property and casualty insurer operations and products, financial and retirement planning and annuities, and employee benefits planning and products.

Actuarial Science undergraduate degree programs – These programs provide courses in mathematics, statistics, economics, and finance and use mathematical and statistical models to solve problems and create statistical probabilities foundational to insurance and finance.

Traditional funding resources – These include state and federal legislative funding provided to public colleges and universities for education and general costs of student learning.

Alternative funding resources – These are non-traditional and encompass alumni support, charitable donations from individuals, corporations, and foundations, endowments from corporate and individual benefactors, program financial support from organizations within the insurance

industry, student sponsorships and scholarships from corporations and industry organizations, and potential funding from as yet unknown or unidentified sources that may be identified in this study.

Systems theory – The theory posits that all internal processes are interrelated so if one part of an organization is externally impacted there is an effect on all the other parts.

Resource dependency theory – This theory claims that organizational dependence on external environment resources can be mitigated through strategic partnerships and relationships that are mutually beneficial and desirable for both entities, thereby shifting the power imbalance from external control to organizational strategic influence.

Contingency theory - The theory postulates that numerous available options need to be considered in order to identify an appropriate effective or best solution to an organizational problem, and the optimal organizational structure is affected by the nature of the external environment within which it operates.

Population ecology theory – This theory is based on the evolutionary concept of natural selection whereby the organization's environment determines the evaluation and selection process to decide which organizations succeed or fail.

Niche theory – This is a subset of population ecology theory in which organizations conform to imposed expectations and compete for resources

within an environmental milieu as determined by the external environment.

Institutional theory – The theory proposes that organizations are compelled to exhibit mimetic and normative structure and behavior as determined by their external environment, thereby conferring isomorphic legitimacy.

Random transformation model – This model suggests that organizational and environmental shifts occur randomly and the success or failure of an organization is merely fortuitous.

Summary

This chapter explicated the research problem relating to the decline in legislative funding for public higher education and its implications for program development and success, especially in undergraduate insurance and risk management degree programs. The chapter elucidated the symbiotic relationship between these programs and provided the background germane to the focus of this research. As expressed in the research questions, this study examined alternative public or private funding resources utilized by insurance and risk management degree programs and any theoretical models employed to mitigate their funding deficits. The data were used to evaluate the appropriateness of Bess and Dee's *Models of Organization – Environment Relations* (2012) in a new discipline, funding development in undergraduate insurance and risk management programs. Additionally, the significance of this research, an overview of the methodology, the study's delimitations, and the definition of key terms were presented. Chapter Two addresses a review of the relevant literature relating to this study's

theoretical perspective, the decline in legislative funding, and alternative funding resources available for the development of undergraduate insurance and risk management degree programs.

CHAPTER II

REVIEW OF THE LITERATURE

As established in Chapter One, the primary objective of the research questions employed in this dissertation was to explore how a theoretical model can inform an undergraduate insurance and risk management program's strategic mitigation of systemic funding decline. Secondary objectives were to discern how undergraduate insurance and risk management programs have been affected by systemic budget constraints and funding declines from the traditional sources of state and federal legislators, to discover what alternative public and/or private funding strategies and resources are being cultivated and utilized by undergraduate insurance and risk management degree programs, and ascertain any theoretical modeling used in the process of developing and procuring alternative funding resources in order to mitigate traditional funding diminishment. In this chapter, a review of the literature will first discuss the search process for empirical and naturalistic research relating to this study's research questions. The chapter then presents the available literature on traditional funding issues in public higher education and any alternative funding strategies and resources being employed to mitigate the diminishment in traditional funding. Chapter Two then discusses theoretical frameworks and perspectives applicable to undergraduate

insurance and risk management degree programs in colleges of business and presents Bess and Dee's *Models of Organization – Environment Relations* as a possible theoretical model to inform and direct a program's pursuit in the process of developing alternative funding strategies and resources.

Search Process

Glatthorn and Joyner (2005) identify three stages in conducting a literature review. After identifying a research topic, the first step of the literature review was to conduct a broad scan of the literature to define a research problem. This research study identified a substantive issue in declining legislative funding for higher education. This funding diminishment issue significantly impacted public higher education, which traditionally received most of its financing from federal and state legislatures (IES, 2010; Newfield, 2010; Toutkoushian & Shafiq, 2010). Starting in the 1980s, the portion of legislative funding dedicated to public higher education declined, at an increasing rate, and shrinking support threatened the success, and even the existence of, many academic programs on colleges and universities (Cejda & Leist, 2006; Doyle & Delaney, 2009; McClendon, Hearn, & Mokher, 2009; Tandberg, 2010).

The second stage was to perform a focused review of the academic literature on the research topic. This stage led to the development of a research prospectus and the study's research proposal. The focused review for this study illuminated a significant deficit in funding for program development, especially in undergraduate Insurance and Risk Management degree programs (Holbrook, 2009).

The third component was a comprehensive critique utilizing all available research on this specific topic. A comprehensive review of the existing literature was conducted that focused on the impact of higher education funding issues. Numerous sources were located referencing the funding decline by state and federal legislators. The comprehensive review continued searching for literature related to traditional or alternative funding resources available for program development in undergraduate Insurance and Risk Management degree programs. There were a few articles that alluded to the decline in traditional funding in this specific discipline, but they either were from the 1980s and 1990s or the funding issues were ancillary to the focus of the research. The comprehensive search for literature on alternative funding resources available for program development in undergraduate Insurance and Risk Management degree programs yielded no empirical or naturalistic research published in peer-reviewed academic journals.

The search process was conducted through the Internet utilizing the library resources at two universities as well as using Google Scholar. This process included searching multiple databases, such as EBSCO's Academic Search Complete, Business Source Complete, EconLit, ERIC, Education Source Complete, JSTOR Arts and Science, Professional Development Collection, SciVerse, Project Muse, PAIS, and ProQuest. The initial search for peer-reviewed literature utilized Boolean descriptors and keyword searching incorporating the following terms: *higher education* OR *college* OR *university*, AND *funding* OR *alternative funding*, AND *program development*. This produced 27,594 results. Almost none of the literature located by these keywords

was applicable to the specific focus of this study; however, a recent dissertation was located that focused on funding exigencies facing public higher education. This case study of a graduate program at a university in New Jersey explored that institution's funding deficits and their implementation of processes and activities to mitigate their financial shortfall. Klein's study utilized a specific theoretical model (Clark's Theory of Entrepreneurial Universities) to explicate the university's adaptation toward generating revenues (2012). When the keywords *insurance* AND *risk management, insurance,* or *risk management* were added to the search process, the number of search engine results fell to zero.

Traditional Funding Issues

Any investigation of funding issues facing U.S. undergraduate Insurance and Risk Management degree programs must start with a discussion of the greater funding issues impacting colleges of business and, by extension, college and university systems in higher education. An understanding of the role of the various stakeholders, public and private, is helpful to inform participants and observers of higher education so that differing stakeholder perspectives are considered in the implementation of financial policy and practices in the arena of higher education.

The governmental stakeholders - federal, state, and local - have traditionally served in different roles to provide funding for higher education. The rationale for governmental support for higher education is that it serves the public good. A public good is achieved when the outcome of an action or the focus of an organization is primarily, and by design, beneficial to the society of a

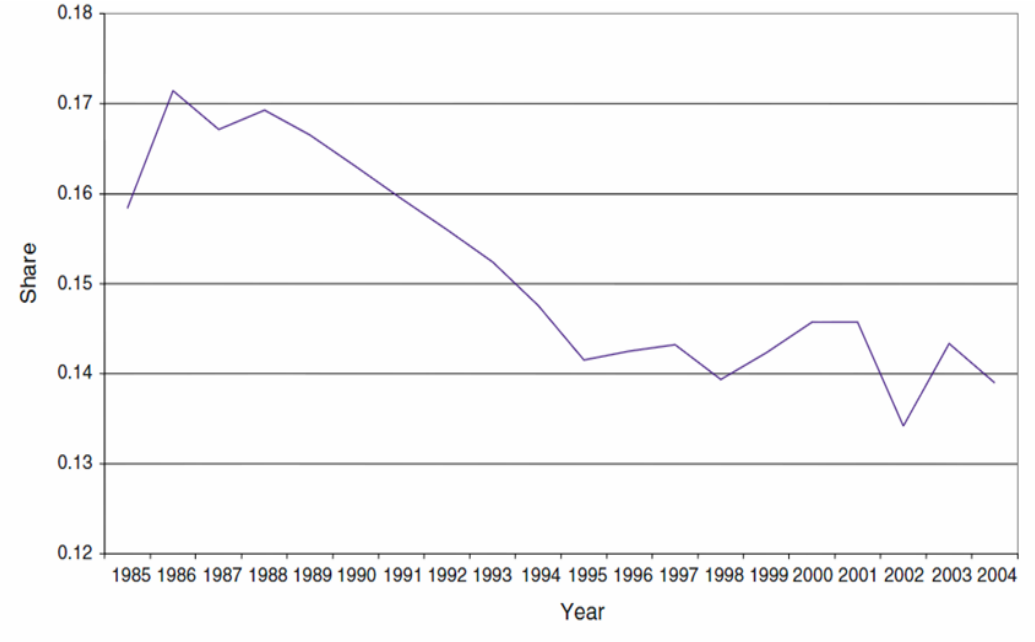
citizenry. In 2000, the Kellogg Commission stated that higher education existed for the basic purpose of advancing the public good. Although the individual benefits, a private good, of a degree in higher education are easily recognized (i.e. higher income, better employment opportunities and environments, improved health, increased status, and general quality of life issues), the economic and social benefits to society as a whole (higher work productivity and tax revenues, less welfare and government assistance, less crime and incarceration, greater charity, community service, and societal quality of life issues) are less often enumerated. All these benefits may not be directly attributable to higher education, but the impact of public higher education in the social arena is significant and indisputable (Chambers, 2005; Toutkoushian & Shafiq, 2010).

The United States federal government's subsidy of higher education began in a significant role with the Morrill Acts of 1862 and 1890, creating land-grant colleges and providing disabled veterans with vocational education (Strach, 2009). Through the early twentieth century, there were few changes until the end of World War II when American society essentially entered into a social contract that promised to provide access to higher education for all citizens, irrespective of their race, ethnicity, or socioeconomic class. This unfettered access to higher education was initiated by the passing of the Serviceman's Readjustment Act of 1944 (GI Bill), but it quickly spread into scholarships unrelated to military service (Gladieux, King, & Corrigan, 2005). Before the GI Bill, there was a moderate level of federal funding for specific disciplines, such as agriculture, chemistry, and engineering, but after the war federal funding for research increased

dramatically as the benefits of a national public good were promulgated through programs of the National Science Foundation and the National Institute of Health (Forbes, 1999). Despite the lack of a purposeful and cognizant strategy in federal funding for higher education (Mendez, 2006), there have been other specific federal government funding programs benefitting higher education, including but not limited to the Higher Education Act in 1965, the Basic Educational Opportunity Grant legislation (later named Pell Grant) in 1972, and the Hope Scholarship and Lifetime Learning Credits enacted during the Clinton administration (Strach, 2009).

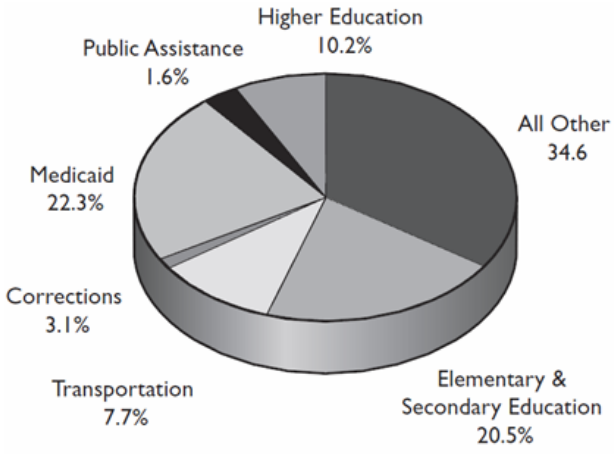
Traditionally, state legislatures provided the majority of funding support for public higher education (IES, 2010; Newfield, 2010; Toutkoushian & Shafiq, 2010). However, institutions of public higher education experienced a major shift in the sources of their funding over the past several decades (Cejda & Leist, 2006; Doyle & Delaney, 2009; McClendon, Hearn, & Mokher, 2009; Tandberg, 2010). Most public colleges and universities depended on those state appropriations for the greater part of their financial needs. State legislature-provided funding has steadily declined since the 1980s, but the average percentage of state revenues dedicated to higher education fell by 10% in just a four year period in the early 1990s (McPherson & Schapiro, 2003). More specifically, California decreased its higher education funding by almost 50% in the past 30 years (Newfield, 2010) and Louisiana is currently facing 20% cuts in state allocations (Stuart, 2011); these are neither atypical nor isolated examples. Figure 2.1 shows a 3.5% decline in state funding for higher education over an 18 year period from 1986 to 2002.

Figure 2.1. Higher Education's Share of State General Fund Expenditures (NASBO, 2007)



This percentage decrease in state funding accelerated through 2010, with an additional 3.5% decline from 2004 to 2010, over only a six year period. Figure 2.2 graphically displays this additional decline.

Figure 2.2. Total State Expenditures by Function (NASBO, 2010)



All institutions of public higher education have experienced this public funding crisis over the past several decades. The amount of tax generated funding for public colleges and universities varies according to state legislature and public institution, but, nationally, public funding has declined for at least three decades (Klein, 2012; McPherson & Schapiro, 2003; Newfield, 2010; Stuart, 2011). Part of the explanation for this decline in state support is that higher education funding is no longer viewed by legislators as an absolute fiscal obligation. Funding for institutions of higher learning is considered more of a discretionary expenditure that is only considered after other higher priority programs are funded. This reduction in state funding available for public higher education is attributed to increased competition for every dollar of state funding from elementary and secondary education, the criminal justice system, and Medicaid (Ehrenberg, 2006; Heller, 2006; Klein, 2012; McClendon, Hearn, & Mokher, 2009, Wanger, 2004).

American public institutions of higher education, where 77% of all post-secondary students attend (Zhanga, 2011), typically received more than half of their operating funds from legislative sources in the 1980s. Two decades later, state legislators provided about 30% of public universities' operating funds, while some nationally ranked public universities received less than 10% of their support from public funds. In general, revenue from student tuition, alumni, and private donors is larger than public funding support at many public institutions (Lyall & Sell, 2006). This situation created a new perspective whereby many public institutions stopped referring to their symbiotic relationship with their state legislature as state-supported and are instead calling themselves state-assisted

public universities and colleges. Some have even gone as far as self-identifying as merely state-located (Speck, 2010). In the past fifteen years, public funding for the University of Virginia dropped from 30% to only 20%, a 33% decline, but, according to the former Provost Peter Low, the state legislature wants 100% control while only contributing a minor portion of higher education funding (Kirp & Roberts, 2002). Colorado State University-Fort Collins and the University of Colorado-Boulder experienced reductions in state funding of 32% from 1999 to 2005. Colorado State previously received 50% of its budget from public funds, but now gets only 8.5% (Powers & Rubin, 2005). Approximately 35% of the budget at the University of Wisconsin - Madison was from state funding in 1988, but shrank to 21% by 2004 (Weerts & Ronca, 2006).

As traditional sources of public funding declined, many universities turned to private funding sources to survive (Ehrenberg, 2006; Harcleroad & Eaton, 2005; Lyall & Sell, 2006; Speck, 2010). In view of these potential consequences, it is imperative to examine the impact of changing resources in public higher education funding in order to differentiate and evaluate alternative funding sources utilized by the differing types of institutions in public higher education. From 1989 to 1999, higher education enrollment grew by 9%, but in the decade following, from 1999 to 2009, it increased substantially by 38%, from 14.8 million to 20.4 million students (IES, 2011). More specifically, higher education enrollment increased by 30% at community colleges alone from 2000 to 2006 (Kennamer, Katsinas, Hardy & Roessler, 2010). During these periods of enrollment growth, the economy suffered several economic recessions, in 1980 –

1983, 1990 – 1994, and 2000 – 2003. These periods of economic disruption had a significant effect on higher education funding (Weerts & Ronca, 2006). The massive increases in enrollment exacerbated the crisis in public funding for institutions of higher learning and may appear paradoxical, but student enrollment in higher education actually increases during periods of economic recessions. Higher education enrollment is countercyclical to business cycles, so college and university enrollments typically increase when the economy is poor because people are more likely to go to college when they cannot find work and to quit school when employment opportunities are strong (Levine, 2001). Because tuition revenue only covers 20 - 30% of the costs per student in higher education, this surge in enrollment only compounded the funding crisis (Vedder, 2005).

In Kansas, state funding for higher education was cut by 50% over the past 15 years and, within the next few years, tuition revenue will exceed the level of public funding received from the legislature. State funding for higher education decreased to approximately one-third of its level of 25 years ago, according to the National Association of State Universities and Land Grant Colleges. Tuition increases by themselves have not been enough to cover the rising costs of higher learning (Williams, 2006). Most public universities increased tuition by as much as 50% over the past decade, in an effort to offset the decline in public funding, but pressure from parents and politicians, as well as from competing institutions, have effectively placed a ceiling cap on tuition revenue (Kirp & Roberts, 2002).

During this same time period of declining state funding for public higher education, the federal government contributed to the current funding crisis by

changing its focus from distributing federal funds to the institutions of higher education to providing funds directly to students in the form of financial aid. The proportion of federal funds provided to students changed from mostly grants, with a small percentage of student loans, to the exact opposite. Most federal dollars are now received in the form of student loans and much less federal funds are available as free grants (Mendez, 2006; Wanger, 2004). This shift in federal policy places a huge financial strain on students and their parents just at the time when public higher education funding has been diminished by state legislators. Although many in academia bemoan the changing landscape in higher education (Ehrenberg, 2006), some educational leaders see the transformation in higher education as an opportunity to engage and collaborate with the business sector, industry and societal associations, and philanthropic foundations, as well as governmental entities, in a mutually beneficial, and more equal, partnership (Lyall & Sell, 2006; Wanger, 2004).

Alternative Funding Resources

With the reduction in public funding revenues, institutions in public higher education have been forced to cultivate other sources of funding to survive. As previously stated, student tuition has always been a minor source of revenue, as have funds donated by alumni, individual charitable donors, private foundations, and private businesses and organizations. With tuition costs increasing to the stage of a significant entry barrier, many public colleges and universities are searching for alternative funding sources, such as private donors, to fill the public funding shortage. Individual charitable donors, for example, created endowments

at some prestigious universities that are worth billions of dollars (Williams, 2006).

With the financial stress forced on public higher education institutions by the decline in public funding and the inability to raise tuition enough to cover these losses, charitable individual, corporate, foundation, and alumni donors are competitively courted for donations and support. As a result, major donors' gifts are essential to the continued existence of most institutions in higher education. On most campuses, named buildings and programs, endowed faculty chairs, and even the names of many colleges and schools themselves are indicative of the largesse of major donors (King, 2005).

When charitable donors fund university endowments, the particular area targeted to receive funding is usually specified, i.e., scholarships, faculty, athletics, research, facilities or a department (Williams, 2006). Although eleemosynary donations from individuals, charities, and foundations have grown throughout the past few decades (Speck, 2010), this increase in non-legislative funding, even when taking into account significant increases in tuition, is still insufficient to compensate for the decline in public funding. Institutions of higher education have been forced to search for alternative sources of funding, such as community and industry partnerships. With few other viable options available, research universities turned to corporate sponsorship in their search for new funding sources.

With the apparent unwillingness in state and federal legislatures to invest public funds in higher education, considerable fiscal pressure is experienced by

most colleges and universities leaving few viable alternatives to the entrepreneurial direction of academic capitalism (Klein, 2012; Rhoades & Slaughter, 2006). Academic capitalism describes the use of market-like methods by institutions of higher education to increase their revenues (Mendoza & Berger, 2006). With this move toward a market industry model that focuses on private and economic interests, higher education experienced a shift in its participants' expectations and nomenclature. Many universities now view students as consumers to be wooed from collegiate competitors. Students think of themselves as purchasers of educational services, rather than as members in a collegiate cohort, and they view the final outcome, the coveted university degree, as a commodity or a product that comes at a considerable financial cost and to which they are entitled (Wanger, 2004).

To exacerbate this issue, many legislative funding formulas changed to performance criteria instead of a traditional across-the-board funding approach in higher education. This created extreme competition between public, private, and for-profit institutions of higher learning; many stakeholders in higher education are concerned about the eventual outcome. Kezar wrote that as funding strongly determines an institution's mission, vision, and priorities, the inevitable increase in privatization and the marketization of higher education funding is particularly distressing (2005).

Privatization is a term used to describe the shift in public higher education appropriations from legislative sources of public funding to other non-traditional funding resources (DeAngelo & Cohen, 2000; Lyall & Sell, 2006; Rhoades &

Slaughter, 2006; Wanger, 2004). The move toward privatization has been associated with a demographical change in post-secondary learners. Formerly, a university education was considered the province of the wealthy and privileged. This supposition has been inexorably altered in that the higher education experience has become available to mid- and lower-income students from a myriad of cultures and ethnic backgrounds (NEA Higher Education Research Center, n.d.).

Corporate and community partnerships have been developed to replace diminishing funding from traditional federal and state government sources. This often resulted in a shift from basic research for increasing a discipline's body of knowledge to corporate-influenced research for marketable knowledge that is profitable to both the corporation and the institution. This new approach of developing profitable relationships with external partners promotes applied research in areas that have a strong linear curriculum correlation with private industries, such as agriculture, business, manufacturing, etc., to the detriment of research funding for more traditional university disciplines, such as English, humanities, and other liberal arts fields. Privatization resulted in an economic reprioritizing of institutional objectives, and power and leverage being shifted away from an administrative centrist perspective to the specific academic departments and research units that are able to generate revenue (Birnbaum & Eckel, 2005).

This shift in public higher education's pursuit of alternative funding created extreme competition between differing public institutions of higher

learning for partners with deep pockets. DeAngelo and Cohen posit that, like many other public enterprises, public higher education is shifting to a paradigm of privatization. Many public research universities, and to a lesser extent some other types of state schools, excelled in replacing lost revenue from public funding with other financing from alternative sources of funding, such as research sponsorships, private charitable fundraising, and alumni giving (2000).

Financing research through corporate partners has been the focus of fundraising at many public doctoral-granting universities. The importance of and emphasis on research to these flagship universities is paramount. Applied research has been motivated by recent major advances in genomics, biomedical studies, pharmacology, information technology, and other areas as well as by considerable increases in governmental and corporate funding in specific disciplines (Ehrenberg & Rizzo, 2004). Corporate sponsorship is promoted by many university administrations as the only practical means to replace the loss in public funding at research-focused universities, but there is much concern over the lack of funding opportunities for non-research institutions. Ehrenberg stated that privatization is a viable strategy for most large research public universities as a method to acquire the funding resources they require to be competitive and to counter threats to their quality and status as a result of public funding declines. However, privatization is probably not as feasible nor sustainable for public comprehensive universities and small colleges that are disproportionally affected by reductions in state funding support (2006).

These non-research teaching universities and colleges do not have the same private funding opportunities as their larger research-oriented counterparts (Klein, 2012). Without the history, structure, expertise, and culture of research, teaching-oriented institutions often struggle to attract the corporate partnerships, and commensurate levels of financial support, to mitigate their decline in public funding. Teaching universities and colleges are typically smaller and less well funded than large research universities. They therefore have fewer alumni generally, and much fewer wealthy alumni in particular, to approach for individual donations. There are few studies available that address this situation, but a definite need exists for further research in this area. Ehrenberg and Smith conducted research on the sources of annual giving at private research universities (Ehrenberg & Smith, 2002; Smith & Ehrenberg, 2003), but no specific studies were located on committed annual alumni giving at public universities.

There are some private funding options available to both research and teaching institutions, but they typically require a dedicated department to build effectively the relationships necessary to develop them. Many university-corporate-community partnerships can lead to other non-research funding opportunities, such as corporate and individual charitable giving and community and foundation grants and sponsorships. To develop relationships in private sector support, many colleges and universities are instituting advisory boards that consist of affluent individuals who are usually business owners or chief executives of corporations. Although the primary goal of these boards is to facilitate fund-raising, they also often represent a link to potential employers of

college graduates and can be a valuable external source of feedback, influence, and advice for academic programs. Although more common in business and engineering schools, many such boards are now being established in colleges of education, fine arts, humanities, and social and behavioral sciences (Rhoades & Slaughter, 2006). Public higher education, however, is both a public good and a private good, and these are not mutually exclusive concepts and goals. If universities are to survive this period of dwindling public funding, they must become more valued as vital public institutions that not only educate students but also contribute to social and economic development (St. John & Priest, 2006).

There is much anecdotal and peer-reviewed literature that discusses research funding and privatization in general, but few peer-reviewed research studies, either qualitative or quantitative, and only a few published dissertations, on specific or very specialized aspects of private funding. Although there have been many articles about the progression of public higher education toward privatization, there is not yet a significantly large body of scholarly work produced to examine and analyze the shift toward private funding for public higher education. This demonstrates a definite need for more scholarly work, especially of an empirical nature, on the general topic of private funding of higher education, and also in the specific area of alternative sources of private funding for research and non-research institutions in public higher education.

Theoretical Modeling

Colleges of business degree programs typically exhibit a positivist theoretical approach, rather than a social constructionist or a postmodernist

perspective. Positivism proposes that there is one intelligible reality, independent of an observer's perception, that forms an organization's knowledge base and that can be utilized to maximize the organization's efficiency and effectiveness. Social constructionists postulate that there is no objective reality, but instead that reality and meaning is constructed out of the society's experiences and beliefs. Postmodernism rejects the concepts of an objective reality and a constructed reality, but instead values individual interpretation of an organization and its relationships (Bess & Dee, 2012; Patton, 2002; PBS, n.d.).

The positivist perspective typically encompasses two general, but not necessarily mutually exclusive, theoretical frameworks, systems theory and contingency theory. Systems theory claims that all internal processes are interrelated so if one part of an organization is externally impacted there is an effect on all of the other parts. Systems theory intellectualizes the organization–environment affiliation as an input/output interchange. Contingency theory postulates that numerous available options need to be considered in order to identify an appropriate solution to an organizational problem (Bess & Dee, 2012; Morgan, 1997; Scott & Davis, 2003).

In the context of this qualitative study, a constructivist epistemology will guide the exploration of systems theory. The systems theoretical perspective suggests that a college's undergraduate insurance and risk management degree program (organization) receives funding from traditional and/or alternative sources (inputs) and provides insurance and risk management graduates as educated citizenry with expertise for industry employees and managers (outputs)

(Morgan, 1997). Contingency theory claims that the optimal organizational structure is affected by the nature of the external environment within which it operates (Scott & Davis, 2003). Both of these theoretical perspectives appear to be valid, but their outcomes may not be equally attainable in all undergraduate Insurance and Risk Management degree programs, and both may lead a department chair or a program director to select the most effective funding resources in order to maximize their program development. The tenets of systems theory, which directed this study, are more of an expansive conceptual framework while contingency theory is narrower in its focus.

In dynamic positivist perspective based organizations, such undergraduate programs in a college of business, the homeostasis process leads to a naturally preferred condition of equilibrium (Bess & Dee, 2012; Morgan, 1997). This state of balance helps stabilize an organization as it is confronted with environmental changes and threats, such as a funding shortage. Thus there is considerable danger when an organization, such as a smaller and less-well-funded undergraduate Insurance and Risk Management degree program, is faced with similar funding cuts as a larger well-funded organization and attempts to duplicate exactly the larger organizations methods and procedures of developing new funding inputs. These smaller programs can, however, implement different strategies and methods that can potentially achieve an analogous desired outcome. The principle of equifinality states that since no two organizations are identical, their differing processes and pathways can lead both to a similar level of success.

This is a crucial concept for understanding organization – environment relationships (Bess & Dee, 2012).

In *Theoretical Frameworks in Qualitative Research*, Harris posits that organizations (schools) do not *have* a culture, but instead organizations *are* cultures that function with a duality nature of member beliefs and knowledge as differentiated by their interrelationships and actions. Harris utilizes Douglas's grid and group typology as a theoretical model visually to present prevailing mindsets within a cultural environment (2006). This study proposes that a similar type of visual model framework, subsequently proffered, can be used to present an organization's perspective and relationship within its environment.

This study identified theoretical models being utilized by selected undergraduate insurance and risk management degree programs to mitigate declining traditional funding. In order to analyze any theoretical modeling identified through data collection, this study attempted to position these models into an overarching theoretical construct to compare the effectiveness of these applied models for consideration by programs that do not identify the use of a theoretical perspective in their program development. A primary objective of utilizing an organizational theory is to provide a broader range of perceived choices that leadership can incorporate to benefit their specific organization (Bess & Dee, 2012). Using a systems theory framework, undergraduate insurance and risk management degree programs can be viewed on a continuum in a two by two grid to evaluate which organizational theory would be more applicable given their organization's self-identified power of perceived choice and their environment's

level of determinism. Perceived choice in this relational model is evaluated as either low or high. A low level of perceived choice indicates that an undergraduate insurance and risk management degree program is essentially powerless to exert any control over the external environment. A high level of perceived choice designates a program that exhibits powerful self-efficacy relating to environmental inputs and outputs. Environmental determinism, either low or high, denotes the degree of control the external associates, such as traditional and alternative funding sources and industry partners and employers, exercise over the organization. The five distinct theories that fit into this relational model are resource dependency theory, contingency theory, institutional theory, population ecology theory, niche theory, and random transformation model. Bess and Dee's *Models of Organization – Environment Relations* are displayed in the following Table 2.1 (2012).

Table 2.1. Bess and Dee's Models of Organization-Environment Relations

		Environmental Determinism (degree of control environment has over organization)	
		Low Determinism	**High Determinism**
Perceived Strategic Choice (organization's perceived degree of freedom to control environment)	**Perceived High Choice**	***Quadrant One*** **Exploitive/Strategic Model** Strategic choice and adaptation (resource dependence theory)	***Quadrant Two*** **Symbiotic Relationship Model** Symbiotic relationships, differentiation (contingency theory)
	Perceived Low Choice	***Quadrant Three*** **Passive Interactants Model** Incremental, adaptation by chance (random transformation)	***Quadrant Four*** **Deterministic Model** Minimal choice (population ecology theory, institutional theory)

This research study proposes that undergraduate insurance and risk management degree programs fall along the continuum displayed in this model. When a program has perceived low choice and the environment exerts low determinism, Quadrant Three – Passive Interactants Model, the random transformation model suggests that although the environmental control is weak, the program is unfocused and not capable of capitalizing on its opportunities and is typically unsuccessful in program development. Programs functioning in this quadrant exhibit no theoretical framework guiding their goals and objectives due to ineffective and unfocused leadership.

In Quadrant Four – Deterministic Model, a program displays low perceived choice, but the environment is highly deterministic. The power resides in the external environment. Institutional theory suggests there are external pressures to conform to expectations. Undergraduate insurance and risk management degree programs in this quadrant are unable to exert pressure on traditional funding sources, however, insurance companies, that are commonly viewed as bland and normative, are frequently motivated to reward these isomorphic programs with alternative funding resources in order to have access to recruit the program's graduates. Also identified with this quadrant is population ecology theory, which exhibits Darwinian natural selection by the environment (Morgan, 1997). Undergraduate insurance and risk management degree programs are selected by insurance industry organizations for success based on their mutually reciprocal relationships. Niche theory, a subset of population ecology theory, posits that certain environments, such as the insurance and risk

management external industries, offer resources to programs based on their carrying capacity, while maintaining equilibrium, and the better organizations that can adapt to that niche will be rewarded (Bess & Dee, 2012; Hannan & Freeman, 1977). Undergraduate insurance and risk management degree programs that fall into this quadrant need to differentiate themselves from their academic competitors.

When an undergraduate insurance and risk management degree program progresses along the continuum to Quadrant Two – Symbiotic Relationship Model, both the organization and the environment exert a high level of control. This creates a symbiotic mutually beneficial relationship exemplified by contingency theory. A program strives to coordinate their internal designs with environment contingencies, thereby maximizing effectiveness by achieving a better fit. As the environment changes, the organization matches it step-for-step to maintain their relationship. This is in reaction to the reality that internally within any organization, and within any program's relationship with its external environment, there are competitive factions striving for funding resources. Bess and Dee propose that this transition, from a Quadrant Four – Deterministic Model to a Quadrant Two – Symbiotic Relationship Model, can be achieved when a program pursues strategic opportunities that result in strengthening its niche position by addressing the external environment's needs more effectively than competing programs, thereby maximizing niche differentiation and ensuring a symbiotic external relationship with commensurate financial sponsorship (2012).

The Quadrant One - Exploitative / Strategic Model is the ultimately desirable position for an undergraduate insurance and risk management degree program because it has greater control than the environment. A program operating within this quadrant would be viewed as powerful and successful. It would likely attract a large student population as well as the attention of external environmental stakeholders. Program size does not necessarily dictate success, however, the reality of funding, especially alternative funding, does indicate that larger programs have access to considerably more financial resources than smaller programs. Although smaller programs can strive for a recognizable niche position to face program competition, as elucidated in Quadrants Four and Two, every program strives for more funding in order to elevate the quality of its faculty and students and to reduce its dependence on external forces. Resource dependency theory elucidates how a program can reduce its dependence on the environment, such as the decline in traditional funding, by developing profitable relationships in the external environment. These mutually beneficial relationships may lead to the effective development of alternative funding resources, such as endowments and corporate partnerships (Bess & Dee, 2012).

The concepts of theoretical modeling discussed above are crucial to evaluating how a specific model has any value to the body of knowledge within a specified discipline. Any theoretical model should be evaluated to affirm its validity and applicability to practice. Assessing the efficacy of Bess and Dee's *Models of Organization – Environment Relations* (2012) was appropriate for this study because it offers multiple organizational theories that may explicate

observed or expressed behavior relating to alternative funding strategies and resources being cultivated in specific undergraduate Insurance and Risk Management programs.

Summary

The review of the literature discussed the search process employed to find relevant literature, and subsequently presented the literature focused on the three topics of this study's research questions. The first topic addressed was traditional funding issues affecting higher education at the institutional level. Then discussed were alternative funding resources that are utilized by successful undergraduate insurance and risk management degree programs to fund development and expansion for their program. The final topic of Chapter Two related to the research question of theoretical modeling that may be currently utilized or might be considered by undergraduate insurance and risk management degree programs in the process of attaining alternative funding for program development. Applicable theoretical models were discussed to analyze and compare the effectiveness of these applied models. Bess and Dee's *Models of Organization – Environment Relations* was proposed for consideration by programs that do not identify the use of a theoretical perspective in their program development process. The following chapter, Methodology, discusses the study's data collection and procedures and the plan for the analysis of the data findings and emergent themes.

CHAPTER III

METHODOLOGY

Chapter Three presents the methods and procedures that were employed to collect and analyze the data gathered in this qualitative study. This chapter includes a discussion of the general research perspective of the study, a description of the research context within which the study was conducted, the identification of subjects that participated in the interviews, the development of research questions incorporated into the data collection instrument, the data collection plan and procedures, the plan for analysis of the data findings and emergent themes, and a summary of the methodology prescribed in the study.

General Perspective

This study explored how Bess and Dee's theoretical model may be transferable to the discipline of undergraduate insurance and risk management. The utility and applicability of Bess and Dee's *Models of Organization – Environment Relations*, as illustrated in *Understanding College and University Organization: Theories for Effective Policy and Practice* (2012), was evaluated to discover how an academic specialty program, undergraduate Insurance and Risk Management, can mitigate the critical issue of the decline in traditional funding by developing strategies and resources for alternative funding. As stated in

Chapter One: Overview of the Methodology, this qualitative multi-case study was grounded within the constructivist paradigm. This epistemology considered the multiple and diverse meanings, interactions, and relationships between the stakeholders in each case study. A systems theory perspective served as a lens through which to explore how a specific organization in a business college (undergraduate insurance and risk management degree program) relates to its external environment by receiving funding from inputs (traditional and/or alternative sources) and providing outputs (insurance and risk management graduates as educated citizenry with expertise for industry employees and managers) (Morgan, 1997). Systems theory incorporates a holistic thinking approach where the synergy of the system is greater than the sum of its individual components (Patton, 2002). Criterion sampling was employed to identify and select appropriate insurance and risk management programs for consideration in the study. Three bounded systems - insurance and risk management undergraduate programs at three distinct universities - were explored to evaluate a theoretical model, Bess and Dee's *Models of Organization – Environment Relations* (2012), relating to funding and development in undergraduate Insurance and Risk Management degree programs.

Using a systems theory framework, these undergraduate insurance and risk management degree programs were viewed on a continuum in a two-by-two grid to explore which organizational theory is currently being employed given their organization's self-identified power of perceived choice and their environment's level of determinism. Organizational perceived choice relates to the level of

influence of the leaders' perceptions of their effectual impact within their specific organization's external environment. Perceived choice in this relational model was assessed as either low or high. A low level of perceived choice indicated that an undergraduate insurance and risk management degree program is essentially powerless to exert any control over their external environment. A high level of perceived choice designated an undergraduate Insurance and Risk Management degree program that exhibits powerful self-efficacy relating to environmental inputs and outputs. Environmental determinism, either low or high, denoted the degree of control the external associates, such as traditional and alternative funding sources and industry partners and employers, exercise over the Insurance and Risk Management program. The five distinct theories that fit into this relational model are the resource dependency theory, the contingency theory, the institutional theory, the population ecology theory, the niche theory, and the random transformation model. Bess and Dee's *Models of Organization – Environment Relations* (2012) are displayed below in Table 3.1.

Table 3.1. Bess and Dee's Models of Organization-Environment Relations

		Environmental Determinism (degree of control environment has over organization)	
		Low Determinism	**High Determinism**
Perceived Strategic Choice (organization's perceived degree of freedom to control environment)	**Perceived High Choice**	***Quadrant One*** **Exploitive/Strategic Model** Strategic choice and adaptation (resource dependence theory)	***Quadrant Two*** **Symbiotic Relationship Model** Symbiotic relationships, differentiation (contingency theory)
	Perceived Low Choice	***Quadrant Three*** **Passive Interactants Model** Incremental, adaptation by chance (random transformation)	***Quadrant Four*** **Deterministic Model** Minimal choice (population ecology theory, institutional theory)

This theoretical model was appropriate for this study because it offers multiple organizational theories that may explicate observed or expressed behavior relating to alternative funding strategies and resources being cultivated in specific undergraduate Insurance and Risk Management programs. Bess and Dee describe how an organization may traverse along the continuum of their matrix from Quadrant Three – Passive Interactants Model to Quadrant Four – Deterministic Model, where institutional theory, population ecology theory, and niche theory, a subset of population ecology theory, elucidating how the external environment exercises a high degree of control over the organization. In Quadrant Four, an organization's growth and success is largely determined by the environment within which it functions. With strategic growth and efficacious exertion, an organization may progress to Quadrant Two – Symbiotic

Relationship Model, where both the organization and the environment exert a high level of control over the program's success, thereby displaying contingency theory applicability, especially relating to the program's funding development. Few undergraduate Insurance and Risk Management programs reach the Quadrant One - Exploitative / Strategic Model. This is the epitome for an undergraduate insurance and risk management degree program in that it has greater control over its development and success than does the environment. An undergraduate Insurance and Risk Management program functioning within the Exploitive/Strategic Model would exhibit an organizational perception of high choice in contrast to a low level of determinism from the environment. This would position the Insurance and Risk Management program in a strong internal locus of control over its level of success. This program would be viewed as attractive by potential students thereby contributing to a large, well-developed undergraduate Insurance and Risk Management program. This program would also attract the attention of many external environmental stakeholders and potential funding resources. Strategic choice and adaptation, as explicated by resource dependency theory, elucidates how a program can re-position its dependency on traditional funding by developing profitable relationships and partnerships with external stakeholders. Fostering mutually beneficial relationships with interested entities in the environment may lead to the effective expansion of alternative funding resources, such as endowments and corporate partnerships (Bess & Dee, 2012). Bess and Dee's *Models of Organization – Environment Relations* aligns with the purpose of the study, elucidated in Chapter

One, of exploring how a theoretical model can inform an undergraduate insurance and risk management program's mitigation of systemic funding decline through alternative funding strategies and resources.

Research Context

A search for insurance and risk management and/or actuarial science undergraduate degree programs in colleges and universities only identified 73 programs nationally (College Source Online, n.d.) Although examples of these 73 institutions are given in Chapter One, three of these bounded programs were studied to discover how their mitigation of the national systemic funding diminishment over the past several decades fits within the five organizational theories housed in Bess and Dee's *Models of Organization – Environment Relations* (2012). Case studies, focused on assessing the efficacy of Bess and Dee's theoretical models, were conducted at three mid-sized university insurance and risk management programs located in three different states, but within the mid-western region of the United States. As established in Chapter One, most of the largest and oldest programs are located in the Eastern and Northern regions of the U.S., and many states do not have any undergraduate degree programs dedicated to insurance and risk management. Many mid-to-small programs are constrained by budget and college and university priorities. The undergraduate insurance and risk management programs selected for these case studies share several commonalities other than regional location, but each has specific and distinct dissimilarities that, when viewed through the study's theoretical lens, provided rich data that may contribute valuable contribution to this discipline's

body of knowledge. All of these undergraduate insurance and risk management programs are housed in colleges of business at their respective universities. According to their Carnegie classifications, each is listed as 4-year or above, Public, and "High Undergraduate" enrollment (Carnegie Foundation, n.d.). Additionally, each undergraduate insurance and risk management program hosts a local chapter of Gamma Iota Sigma, the international risk management, insurance and actuarial science collegiate fraternity (Gamma Iota Sigma, n.d.). All these commonalities were required criteria for the study's sampling method. Unique characteristics of each bounded system are described in the following section.

Research Participants

This research study engaged college faculty, department chairs, deans, and/or program directors in three undergraduate Insurance and Risk Management degree programs through the interview process to address the study's research questions. In-depth interviews with three participants at each university campus provided a plethora of thick, rich data to inform the research questions. Anonymity was preserved in these case studies through the use of fictitious names when discussing specific characteristics and data collected through the interview process. The bounded programs were delineated as undergraduate Insurance and Risk Management degree programs at Alpha University, Beta University, and Delta University. The Greek letter "Gamma" was not selected to avoid confusion because all three of these insurance and risk management programs share an affiliation with Gamma Iota Sigma, the international risk management, insurance and actuarial science collegiate fraternity.

Alpha University is a large public university, located in a large South-Central state, with a student enrollment of approximately 36,000. Its College of Business has approximately 6,000 students, of which 600 students are within the department that houses its undergraduate Insurance and Risk Management program. Approximately 70 undergraduate students have a declared major in insurance. In addition to its status as the largest bounded system in the study, Alpha University is categorized as a comprehensive doctoral (no medical / veterinary) and a research university with high research activity. Its academic programs are described as balanced arts and sciences/professions with a high graduate coexistence. Its student population is rated medium full-time four-year, selective and higher transfer-in. Its listed peer institutions are University of Texas - Arlington and the University of Memphis (Carnegie Foundation, n.d.).

Beta University, located in a Midwest state, is also a large public university with approximately 20,000 students. There are 4,500 students in its College of Business. Approximately 400 students are in the Finance Department and 55 undergraduate students in their insurance program. Beta University is listed as Master's Colleges and Universities (larger programs) and post-baccalaureate comprehensive. Academically, it is characterized as professions plus arts and sciences, with some graduate coexistence. Its student body is described as full-time four-year, selective with higher transfer-in. Beta University's peer program is listed as SUNY College, Buffalo (Carnegie Foundation, n.d.).

Delta University is a mid-sized public university, in a different South-Central state, with a student enrollment of approximately 12,000. It has 2,500 students in its College of Business and 250 students in its Finance Department. There are 45 undergraduate students in its insurance program. Delta University is rated as Master's Colleges and Universities (larger programs) with a single doctoral program. Its academic programs are listed as professions plus arts & sciences, some graduate coexistence. Its student population is categorized as full-time four-year, selective, but with lower transfer-in. Carnegie's website does not list any similar programs as peers to Delta University (Carnegie Foundation, n.d.).

The distinct dissimilarities of these three bounded systems are related to the size of their student populations and campus settings, their academic undergraduate and graduate instructional program focus, their undergraduate profile, and their basic listing as a predominately Master's or research university. The primary difference between these three bounded systems germane to this research is the size of their undergraduate Insurance and Risk Management degree program, which frequently correlates to program funding. The study attempted to determine any theoretical modeling utilized by these programs and evaluate the applicability of Bess and Dee's *Models of Organization – Environment Relations* (2012) to discover any theoretical similarities or distinctions.

It was expected that high quality, honest participation in these case studies was achieved due to the prospective value of this research to each program and the academic and professional curiosity of which theoretical models inform alternative funding strategies and resources being utilized by other institutions. I

contacted potential study participants through email correspondence and, when necessary, by telephone communication to solicit their engagement and support for participation in the research interviews which took place on their respective campuses, as per the Solicitation Protocol in Appendix B. After approval by the Institutional Review Board, face-to-face digitally recorded interviews were conducted at these campuses. The specific data collection procedures employed in this study are reported in a subsequent section of this chapter.

Case Study as a Data Collection Instrument

Research using the case study format is designed to provide a meticulous depiction of a specific organization, situation, program, or event (Cresswell, 2003; Glatthorn & Joyner, 2005). Cresswell further states that case studies involve a qualitative methodology whereby the researcher explores a singular bounded or multiple bounded units of analysis through in-depth detailed data collection from multiple sources to produce a descriptive, theme-based case study report (2007). Merriam describes three distinctive features of qualitative case study research: (1) particularistic in focus on a specific program, event, situation, or phenomenon, (2) descriptive relating to a case study's thick, rich description of the phenomenon or entity being studied, (3) and heuristic in that the case study is designed to provide an experiential understanding of a bounded system to the reader (2009).

In 1978, Stake contradicted the prevailing belief that case studies were unsuitable for generalization. He claimed that a case study should often be the favored method of research because it would be epistemologically in congruence with a reader's perspective and experience, thereby producing a natural

foundation for generalization. This view of the validity of case study research has slowly evolved over several decades. By the standard of praxis, case study research design appears to be firmly ensconced, and possibly even flourishing; however, case study methodology is still viewed by some researchers with extreme circumspection (Gerring, 2007).

Yin posits that case study research is preferred when research questions are posed as "how" or "why" inquiries, when the researcher has minimal control over the events, and when the focus of the study is on contemporary events in a real life environment (2009). Case study subjects are dynamic and bounded by place and time. In multi-case study research, the individual cases need to share similarities or characteristics, but each case is treated as a specific distinct entity. Interactions within and across case study entities portray an integrated organization or system (Stake, 2006).

Research Questions

1. How have undergraduate Insurance and Risk Management programs been affected by systemic budget constraints and funding declines?
2. What alternative public and/or private funding resources are currently being cultivated and utilized by undergraduate Insurance and Risk Management programs?
3. What theoretical modeling, if any, has been employed or developed by undergraduate Insurance and Risk Management programs to mitigate their funding deficits?

4. What information derived from the exploration of the efficacy of a theoretical model can be utilized to inform an undergraduate insurance and risk management program's mitigation of systemic funding decline?

Data Collection and Procedures

The first step in data collection was obtaining Institutional Review Board (IRB) approval to conduct this research study. The interview protocol, presented in Appendix C, followed Cresswell's design format providing written instructions to the interviewer (2003). These included acquiring Informed Consent forms that were authorized by each research participant's signature and my verbal assurances of participant anonymity. It also included research questions delineated in the preceding section. The interview protocol, provided in Appendix C, included suggested inquiry probes as follow up for each research question and contained transition messages for me to facilitate the participant's dialogue. Although each interview was digitally recorded, space was provided on the form for researcher comments and reflective notation (Cresswell, 2003).

In-depth face-to-face interviews with college faculty, department chairs, deans, and/or program directors, identified by criterion sampling, in three undergraduate Insurance and Risk Management degree programs were conducted to address the research questions. The primary sampling criterion employed to select the study participants was the existence of an undergraduate insurance and risk management degree program. Another criterion included the existence of a functioning member chapter of the Gamma Iota Sigma International Risk

Management, Insurance, and Actuarial Science Collegiate Fraternity. This organization has a stated mission purpose to:

> promote, encourage, and sustain student interest in insurance, risk management, and actuarial science as professions; to encourage the high moral and scholastic attainments of its members; and to facilitate interaction of educational institutions and industry through networking and by fostering research activities, scholarship, and improved public relations (Gamma Iota Sigma, n.d.).

Involvement in this network of engaged and interacting insurance-related programs and industry sponsors substantially increased the prospect of supportive participation in this study. Other sampling criteria included program size, regional location, and four year university status, as stated in the preceding section on research participants. With a limited population of 73 colleges and universities identified nationally with undergraduate bachelor degree programs focused on insurance and risk management and/or actuarial science, there is still a large variation in the number of students enrolled in an undergraduate major in insurance and risk management. As program size and funding are frequently correlated, the study attempted to eliminate anomalies and outliers by avoiding either extreme of very large or very small programs. Similarly, to minimize extraneous influences pertaining to locale or cultural differences, undergraduate insurance and risk management programs within a geographic region were considered. Additionally, to avoid significant disparities between universities,

stand-alone colleges, community colleges, and certificate programs, the study focused on four year university undergraduate insurance and risk management programs. These criteria restrictions informed the selection of the three bounded systems in the study.

The research interviews were semi-structured with open-ended questions to allow each interviewee to share freely their perceptions and perspectives relating to the research questions. The interviews were recorded, transcribed, and provided to interviewees for member-checking review and additional comments. Immediately after each interview session, I privately made digital and written notations related to researcher observations and field notes in order to record non-verbal nuances and reflections on intangible perceptions of the interview and the participant. These post-session activities assisted in developing quality of triangulation for the data collection process. Data collection strategies included the triangulation of transcribed interviews, institutional or organizational documents and artifacts (described below), and a research journal containing researcher field notes and memos to enhance the trustworthiness and credibility of the results. The use of triangulation and thick description were expected to produce substantive transferability as a component of establishing the trustworthiness of the research.

Each interviewee was contacted to ascertain their preference of an interview venue. The settings for the interviews took place in the participants' workplace offices or campus facilities or, if they preferred, a neutral off-campus location was selected. The primary objective of each interview venue was to

provide a safe and comfortable environment, allowing for a relaxed and tranquil atmosphere. Artifacts gathered from institutions or organizational workplaces included mission and vision statements, college pamphlets, university catalogs, program curricula, advertisements, website data, and other documents deemed appropriate. These documents were numbered according to institution or organization. Descriptive researcher field notes from institutional and interview settings included descriptions of the events and interviews. All collected data were digitized and will be stored on my password-protected flash drive and desktop computer for five years, after which the data will be destroyed.

Data Analysis: Results and Themes

Qualitative research involves the coding of information into contextual categories in order to identify emerging patterns and themes that lead to associations and understandings of the data. As this was new primary research, various results and themes were anticipated to emerge from the collected and coded data. Each interview transcript was the source of data for coding. As the data were gathered, category schemes were employed to organize the data. The data were coded and unitized as data chunks to develop data-driven analytic statements in order to identify any emerging themes or patterns. Coding of the collected data (open, selective, and theoretical) was strategic as many entries may receive multiple codes for categorical evaluation. As the three main categories of traditional funding, alternative funding, and theoretical modeling were identified from the interview transcripts, axial coding was employed, utilizing inductive and deductive reasoning, in the process of exploring interrelating codes and concepts

emerging from the data. Axial coding developed the sub-categories of the three main areas. Interview questions related to the impact of funding diminishment produced data chunks sub-coded as "affected programs," "affected course offerings," "affected faculty engagement," and "affected enrollment." Participant responses pertaining to alternative funding sources were grouped in sub-categories of "insurance industry," "insurance organizations," "alumni," and generically "other." Purposeful coding was employed to segregate participant commentary related to theoretical modelling through their applicability to the six theories and models presented in Bess and Dee's (2012) *Models of Organization – Environment Relations* (i.e., resource dependency theory, contingency theory, institutional theory, population ecology theory, niche theory nested within the population ecology theory, and the random transformation model). This process was greatly enhanced through the use of computer software.

First, the transcript data were entered into a qualitative data analysis computer software program, MAXQDAplus11, for ease and accuracy in separating into pertinent data chunks and to analyze for applicable emerging themes and patterns. Codes and sub-codes were identified and color coded by institution, interviewee, research question, and the responses by concept, topic, and word frequency. In addition to grounded theory's natural in-vivo coding, targeted, selective coding of the text searched for data germane to the study. This computer software was utilized to allow for flexibility and integration of the expected large quantity of data. MAXQDAplus11 allows qualitative data to be systematically organized into multiple coding patterns with color coordination,

concept mapping, content analysis, and graphical representations of data with complex query functionality.

Next, the data were analyzed for emerging themes within and across theoretical categories, as well as for the relationships that were attributed to them within the lens of the systems perspective utilized in this study. Bess and Dee's *Models of Organization – Environment Relations* (2012) was the theoretical construct through which the three case studies were analyzed and evaluated. Bess and Dee's theoretical model was used in understanding policies and practice in higher education institutional organizations. As each of the bounded system's data were coded and categorized, any alignment with the organizational theories embedded within the *Models of Organization – Environment Relations* was ascertained in order to identify their positional relationship with the external environment. The data analysis was conducted in two stages. The first stage involved the coding of the data from the interview transcripts. In the second stage, the coded data chunks were ascribed to the appropriate organizational theory category housed in Bess and Dee's theoretical construct. This determined the program's assignment within the four perceived strategic choice vs. environmental determinism quadrants.

The data collected from each bounded system identified their stated use of theory-driven mitigation of their experience with funding decline. Each participant was asked what theoretical construct guides their program's development of strategies and resources for alternative funding acquisition. Whether or not a participant's transcript data claimed the utilization of theory, the

collected data were analyzed to evaluate the utility and applicability of Bess and Dee's *Models of Organization – Environment Relations* (2012) to each undergraduate Insurance and Risk Management degree program. In assessing the appropriateness of Bess and Dee's theoretical model, the data chunks derived from the transcripts were coded in an effort to seek alignment with descriptive elements of each of the components of the theoretical models (i.e., resource dependency theory, contingency theory, institutional theory, population ecology theory, niche theory nested within the population ecology theory, and the random transformation model). Few bounded systems, when attributing their praxis in a specific function, such as funding strategies and resources, ascribe to the utilization of only one guiding theory, therefore, the assignment of a program to a quadrant in Bess and Dee's theoretical model may not be clearly delineated due to perforated boundaries. In this study's analysis, when a distinct majority of coded data chunks indicated a predominate theory, that category imputed the theoretical model's quadrant within which the program functions. Although generalizability is not assumed in qualitative inquiry, I strove for diligence to preserve integrity and consistency in the coding process in the attempt to achieve transferability.

Summary

Chapter Three, Methodology, presented the methods and procedures that were utilized to analyze the collected data in this study. This included the rationale for the general research perspective of the study, a description of the context within which this research study was conducted, the development of research questions incorporated into the data collection instrument, a portrayal of

the interview participants, an explication of the data collection and procedures, and the data analysis of the emergent patterns and themes from the research. Chapter Four presents the research results from the data collection and discusses the study's findings.

CHAPTER IV

FINDINGS

As stated in Chapter Two, schools and colleges of business are characteristically based on a positivist theoretical structure due to the applicable nature of their discipline. This research study used a constructivist epistemology to explore a systems theory conceptual framework incorporating the perspective that all of an organization's internal processes are integrally interrelated in such a way that external environmental forces exert an impact on all internal functions, thereby affecting the organization as a whole. This theoretical perspective informed this study's conceptual design and directed the focus of the research questions and data collection procedures.

The focus of this research was on alternative funding strategies and resources currently utilized or being considered for the development of undergraduate insurance and risk management degree programs, with specific focus on the utility and applicability of Bess and Dee's *Models of Organization – Environment Relations* (2012). The lack of previous research on this specific focus in this discipline indicated the need for qualitative inquiry to establish parameters and a baseline that could lead to future empirical research. In order to accomplish this, interviews were conducted with a college of business dean, a finance department chair, and a faculty member responsible for an undergraduate

insurance and risk management program at three distinct universities. An interview protocol, as per Appendix C, was utilized in each interview to maximize reliability and continuity and to minimize researcher bias and influence; however, each interview was based on open-ended questions affording the participants wide latitude in direction of the discussion. In addition to the study's four research questions, the interview protocol included suggestions of inquiry probes, as follow-up to each research question, and contained transition prompts to facilitate the participants' dialogue.

Interview Settings and Context

In qualitative inquiry research, where the researcher is personally involved with the study participants, the settings and context of the study interactions have a substantive impact on the process and outcomes. The researcher becomes part of the instrument in the collecting of the data and the researcher's perspective and engagement inexorably permeate the lens through which the collected data is analyzed and discussed. The settings and context of the data collection must be reported as an integral component of the data findings.

For this research study, nine interviews were conducted within three bounded systems, specifically described in Chapter Three. At each targeted university, the dean of the college of business, the finance department chair within which the undergraduate insurance and risk management program was housed, and the primary, or lead, faculty member of the program were interviewed during the summer of 2013. These nine interviews were digitally recorded, transcribed, and imported into MAXQDA software.

Also imported into MAXQDA were university artifacts, such as mission and vision statements, college degree requirements, department documents, program descriptions and course sequencing, college and department promotional brochures and pamphlets, and photographs of the interview settings situated within the department and college. Additionally, included were publically available information and personnel data relating to the interviewees, website data and postings, and other artifacts indigenous to the interview setting. Photographs of interior and exterior settings and descriptions of participant and interview locales were also loaded into MAXQDA for coding and analysis.

Interview Settings: Narrative Depiction

Each university and each college of business building was significantly distinctive from each other. Eight of the interviews were conducted on-site at each university campus. Of these, six were conducted in the participants' offices, one interview was conducted in a departmental conference room, and another in a large public common area within the business college. The only off-campus interview took place in a hotel's common lounge area where the interviewer and interviewee were both attending an insurance and risk management academic conference in Washington, D.C. The interview locations were selected by the interviewee, allowing the participant to choose the interview venue in order to infuse a feeling of comfort in the process and to inculcate a more relaxed atmosphere. This also afforded privacy and an uninterrupted venue. The generic conference room where one interview was conducted was selected by the department chair; however, the interviewee appeared to be at ease. The public

common area in the college of business selected by a faculty participant included comfortable chairs that facilitated casual conversation. The hotel lounge common area venue was suggested by the interviewee and also encouraged open discussion.

The interview setting wherein the first interviews took place could be described as a large three story red brick building, with limestone accents, with a full height and four Romanesque columns supporting the portico in front of a glass encased large three story foyer. The college of business building is located on a sprawling campus in a suburb of the state capitol city. The first interview was conducted in the faculty member's office accessed through a recessed entry. The interviewee sat at a large u-shaped cherry wood finished desk with a hutch and I sat across the desk return in front of a south-facing window. A double wide, five-shelf bookcase sat against the west wall and was full of peer-reviewed journals and reference books. In the entry foyer of the faculty suite, there were two bulletin board displays and brochures with information about the insurance program. The second interview with a department chair was on the third floor. The chair's desk was u-shaped (with a hutch) and had two credenzas with bookshelves on adjacent walls. The opposing walls were adorned with several university photographs. The dean's suite was behind a full glass entry bordered by two large professional promotion displays detailing college programs. The dean's office was twice the size of the other two interview sites. It housed a u-shaped desk with two matching credenzas with bookcases and a lateral file whose

top was covered with paperwork. The interview was conducted at a small four chair table in front of the desk.

The second interview venue was in a large older concrete building with an industrial affect. The chair's suite was on the second floor. The chair suggested the department conference room as the location for the interview. The chair and researcher sat at the end of a long oval table and swiveled the chairs in order to speak face-to-face. The room had filing cabinets along a wall and a countertop at one end. There were stock university photographs along the walls. The dean's suite had an adjoining conference room that also opened into the reception area. The dean's office was large with a large executive desk toward one end, with a credenza behind, and a sitting area with a sofa and chairs around a coffee table at the other. The interview was conducted in the sitting area. The walls were adorned with large paintings and there were personal effects in the office. Due to the unavailability of the faculty member during the scheduled campus visit, that interview was conducted in a hotel common lounge area while the faculty member and researcher were attending an academic conference several days later. The interview setting included two overstuffed chairs with a coffee table between them. There was noise from a water fountain and a nearby bar area, but it did not adversely affect the conversation.

The final series of interviews were conducted in a newly built college of business building constructed in a contemporary architectural style incorporating brick, concrete, steel, and glass mediums. It has a LEED certification for an environmental conscious design. The building inter has a large sweeping atrium

with limestone walls. The third floor dean's suite overlooks the large open common atrium. The dean's office held an executive desk and bookshelves, and had a sitting area with chairs and end tables where the interview was conducted. The walls and table tops were adorned with artwork. The interview with the chair was conducted in a somewhat nondescript office furnished with eco-friendly workstations and a minimal amount of decoration. There was an l-shaped desk with several bookshelves. The faculty member chose to meet in the large atrium common area which contained a number of low chair and coffee table-type groupings. There was some ambient noise, but it did not affect the interview. Photographs were taken of each college of business exteriors and, with the interviewee's permission, of each participant's office and the chair and dean suites, including the non-office interview venues. Specific and personal details are withheld to preserve participant anonymity.

Inquiry Questions, Probes, and Transition Prompts

The first interview question, "How has your undergraduate Insurance and Risk Management program been affected by systemic budget constraints and funding declines?" was followed by, "Has your program been affected by funding diminishment? What are the effects of any funding shortages?" and, "How has funding, or lack thereof, affected your program, course offerings, faculty teaching, service, research, student enrollment?" The next question, "What alternative public and/or private funding resources are currently being cultivated and utilized by your undergraduate Insurance and Risk Management program?" preceded, "Has funding replacement been difficult or problematic? How so? Has

alternative funding replaced the entire deficit in traditional funding? Have you shared alternative funding resources or strategies with other programs?" and, "What information or advice would you give to other programs that may be struggling?" This portion of each interview was straightforward and elicited the majority of the participants' responses.

The interview protocol continued with, "How can a theoretical model inform an undergraduate insurance and risk management program's strategic mitigation of systemic funding decline?" which was followed by, "Do you think that theory drives practice or vice versa? Why?" and, "Do you think that a program's perceived strategic choice or the external industry environment has greater control in a relationship?" The final interview question was, "What theoretical modeling, if any, has been employed or developed by your undergraduate Insurance and Risk Management program to mitigate their funding deficits?" The interview protocol's suggested inquiry probes and transition prompts included "Are you aware of any theoretical modeling being utilized by other programs? Would you be interested in learning about any theoretical modeling being utilized by other programs?" and, "Would you choose to increase your program's perceived strategic choice over the external industry environment?" Additionally, each interviewee was asked if they would like to receive a copy of this study after its completion. Invariably, when the interviews proceeded into theoretical modeling, the interviewees' responses differed according to the participant's positional rank. Faculty member responses indicated a lack of consideration of theoretical modeling. Department chairs

exhibited more interest in the engagement of theoretical discussion. College deans contemplated the use of theory in funding and development more than the two other groups. Every participant expressed interest in the direction and output of this research and was supportive, at varying levels, of the use of theoretical modeling in this specific context.

Data Coding Procedures

The interviews were transcribed and imported into the MAXQDA 11 software program. The nine imported documents were named with a numeric and functional identifier: 1F, 2F, and 3F for faculty, 1C, 2C, and 3C for department chairs, and 1D, 2D, and 3D for college deans. Each interviewee's statements were analyzed and segmented into data chunks which were then coded within MAXQDA. This process resulted in 288 data chunks from the nine interviews. The three faculty interviews produced 104 (36%) distinct coded responses, with 97 (34%) from department chairs, and 87 (30%) from the college deans. The code system included three main categories, with sub-codes within each category. Table 4.1 identifies the main data coding categories and their sub-codes as employed in the MAXQDA coding software.

Table 4.1. Data Coding Categories Utilized in MAXQDA

Main Categories	Sub-Coding Categories
Traditional Funding	Affected Programs Affected Course Offerings Affected Faculty Engagement Affected Enrollment
Alternative Funding	Insurance Industry Insurance Organizations Alumni Other
Theoretical Modeling	Resource Dependency Theory Contingency Theory Population Ecology Theory Niche Theory Institutional Theory Random Transformation Model

When a participant's statement did not specifically fit into a particular sub-code, it was coded to the generic main category. Utilizing this structure, Traditional Funding received 87 total responses with the main category containing 34 generic quotations, and the sub-categories of Affected Programs having 15, Affected Course Offerings 11, Affected Faculty Engagement 18, and Affected Enrollment at nine. The next main category, Alternative Funding, was assigned 40 coded responses, and the sub-categories of Insurance Industry with 27, Insurance Organizations 26, Alumni 5, and Other with 17. The total for Alternative Funding was 115 of the 288 coded data collected.

The final main category, Theoretical Modeling, was based on the components of Bess and Dee's *Models of Organization – Environment Relations* (2012) matrix with five sub-categories and one sub-sub-category. The

Theoretical Modeling generic had 43 responses, with Resource Dependency Theory receiving four, Contingency Theory at 24, Population Ecology Theory had five and that theory's sub-code, Niche Theory received three, Institutional Theory three, and Random Transformation Model (which is not a formalized theory) at four. The overall Theoretical Modeling category received 86 of the total 288 coded data chunks. The presentation of these coded interviewee statements will follow the sequence described above from the MAXQDA code system; however, within each coded category, or sub-category, the interviewee's responses are not in any ordered sequence, but are grouped for themes, patterns, and commonalities. The remainder of this chapter examines responses according to the four sections: Traditional Funding, Alternative Funding, Theoretical Modeling, and Interview Settings and Context.

Traditional Funding

Replying to the first interview question inquiring how their program has been affected by systemic budget constraints and funding declines, every participant responded "Yes" and most commented on specific examples relating to traditional funding diminishment. A faculty member stated, "I think in general what we are seeing is decreasing budgets, both the college and department level, so there is less flexibility to support some of the things that we might want to do." Another interviewee stated, "We never were adequately funded, to really run a program the way it needs to be run. We've always needed to have external funds for that, but, we have really experienced decline in faculty lines." From a different participant:

> We don't get much funding, specific funding for our insurance program. . . . We don't get any. . . . The university pays (our) salaries, furnishes us with an office, but they don't provide any real extra support or anything like that for insurance programs. . . . As a matter of fact, at one time they did pay for adjuncts. They don't even pay for adjuncts now . . . the only thing that they did extra was funding for adjuncts. We did - when I first came, we had adjuncts and the department paid for them. . . . They don't fund any of the things that we do.

At another university, when asked about program funding, an interviewee stated:

> There are a lot of good insurance programs over the years that have died, not as a result of lack of industry funding, but a lack of recruiting a proper person to fill the load. . . . There was a time when (a specific university) had an RMI program. When (the faculty leading that program) went to (another university), that program died. . . . It's definitely a big deal in terms of funding. There is no budget for us, and there is no budget for us as a program as far as I understand, so we have to be basically funding ourselves. We ran into issues last year which pretty much put to a stop everything we did. We had to withhold every event we planned because the funding was not there. So, we have to end up raising funds ourselves, so it is a huge deal.

A participant responded with, “I would say the key is to get inside support. That

is the key. Unless the administration, the leadership of the program, including from the dean's level, unless you get the support from those levels, I don't think it's sustainable." The interviewee added, "without the internal commitment, without internal funding, as a match or as an effort to show outsiders that we are committed to the program, I don't think the outside support is sustainable."

Affected Program

This sub-category contains interviewee statements that can be directly attributed to how traditional funding decline has specifically affected their insurance and risk management undergraduate program. A faculty interviewee explained how their program has been affected:

> Well, for a long time, we had two tenured insurance faculty and then university offered early retirement incentives about four years ago, a couple of years in a row, and so the faculty decreased by somewhere around 25%, let's say. And, as far as the insurance program goes, one faculty member retired and then was replaced by a half-time instructor. So, we went from two tenured faculty to one tenured faculty member and a halftime instructor who teaches six hours of insurance and then six hours in finance. So, they are full-time instructors, just half-time allocated to the Risk Management program. So, we went from two to one and a half essentially.

Another university's program was affected by traditional funding decline, as described by the department chair:

> So, at the same time, had this happened five years ago, the university was hiring and we would have gotten all those lines back. That has not happened. The university is not hiring and we have gotten none of those slots back. . . So, proportionally, Risk Management and Insurance has not been hit any harder than the other areas but it was a smaller area to begin with and really an area in need of a leadership, quite frankly. . . . Oh, we are very short. We need at least two additional faculty members in Risk Management and Insurance.

However, a participant from another university had a somewhat different perspective:

> I am aware that there have been pretty deep cuts from the legislature in the range of 15 percent or so, over the past four or five years. Those cuts get absorbed at the university level in different ways. I don't know that I would point to one particular program in the college of business that has suffered more than any other program. So, you're interested in the Risk Management and Insurance program. You know, what I would say, we have, essentially, one full-time professor and we have one instructor in that area, and so, we have been able to maintain the faculty. We have not had to lose the line or anything like that. So, I don't think that the cuts from the legislature have adversely affected that program.

Some programs have expanded their use of adjunct instructors in the classroom:

> We don't have the people. We don't have the people to do it, or the expertise. And, you know, it works out fine. It's just not really, in the long run, how you want to build an academic program. Because like I say, we are really going for two extremes. . . . It's a good situation to be in, in the sense that when resources become available, I do believe there is evidence to indicate that we will be among the first in line, both in Finance and in Risk Management and Insurance. . . . (The Dean) is extraordinarily supportive. He sees the Risk Management and Insurance program as a program that can really distinguish the college, that with a few strategic hires, you could really have a top-ranked program. . . . You know what it takes to have a top ranked finance program. It's maybe in the billions now. I think it's gone past the millions, to compete with the top-ranked programs. But, we can. We can be a top-ranked program in Risk Management and Insurance. I mean, we really can, with just a little infusion of capital, we could go a long, long way. And, the Dean is very supportive.

Although almost all of these comments were related directly to the lack of traditional funding for faculty positions and salaries, funding for professional development for existing faculty has also declined according to a department chair:

> External service is probably more impacted, and what I mean by

> that is service to the profession. Again, traveling to conferences, serving as a discussant, just being able to go out on the road to stay in contact with the business community, starts to fall more upon faculty member, rather than on the department, because the department just doesn't have money. And so, it becomes a definite issue and challenge that we are faced with.

Affected Course Offerings

There was mixed commentary pertaining to how the traditional funding decline has affected available course offerings. "We've offered less courses primarily because we have fewer resources, as far as teachers. In 2005, we had two full-time professors of insurance." Furthermore, "It has affected course offerings. If we would offer more - if we had funding for it, we would offer at least one additional course every semester." Several interviewees espoused a different perspective. "Course offerings have not changed. We have been pretty stable," and, "So, I don't think we have lost the courses. It has not affected the courses. But, risk management and insurance is a niche that we can exploit, because there are not many programs in (our state), so it is one we can really capitalize on."

When asked directly if traditional funding decline has adversely affected course offerings, the responses included, "No," "No, offerings haven't been effected," "So far, it hasn't," and, "No, amazingly so. Amazingly so, and in fact, we've had enrollment increases during this same time." Less definitive responses included "It has not really, but it just meant that we relied more upon adjunct

faculty to teach some courses as opposed to our tenured faculty. And class sizes have gotten larger as a result of that." Additionally, "No. I don't think so, because we have faculty who can teach some of the courses from the law side, who are teaching the full courses," and, "Well, yes and no. We have managed through the use of a lecturer and really good adjuncts to maintain our course offerings. And the faculty here at this institution is ordinarily very willing to do whatever needs to be done. So, I've had people take on extra things."

Affected Faculty Engagement

In this category, coded participant comments were collected regarding how the traditional funding decline affected undergraduate insurance and risk management faculty engagement. As the three undergraduate insurance and risk management programs in this multi-case study have a small number of faculty, which is typical of the vast majority of these degree programs nationally, funding diminishment significantly impacts engagement opportunities relating to faculty academic, professional, and program development. From a faculty perspective:

> It definitely affected our job, in terms of what we can do. For one, we can't do the events we had planned to do, because there is no money there. There is no funding, in particular for the research at this time. We have some funding to support research, but not necessarily for us to use, so it does affect the ability of us to do research in the area as well. . . . I believe in the area we have a lot of individuals, in particular, as well as partners that we can reach out to, we have not gotten the chance to. Again, resources, as far as we

> are concerned, me and (my colleague), and I feel like we have already taken enough on our plate in reaching out and seeking funding is also a work in itself and we have not been able to do a lot of work with just two of us.

At a different program, a faculty member stated, “So I've been doing, in essence, what two to two and a half people have been doing for years. So, it's been very difficult in that respect. We have a person that basically teaches risk management and insurance halftime.” This has resulted in, “teaching more preps, more sections, our sections have gotten larger, because there are fewer of them.” Another faculty stated:

> The contract that I had - that I've got with the university says I teach two classes a semester, but I've always taught three. I mean when I first came here I taught four. . . . But, since (my colleague) has been here, I've always taught three classes. I've always done three and three. Now my third class is an on-line course. Because I figured, (my colleague) contributes as much to this as I do. I do more of the administrative work, but (my colleague) is a team player. If they have to teach three classes, I teach three classes. . . . No extra compensation. . . . Yes, my actual teaching schedule. But my contract only required me to teach two classes but I taught the overload so our students could graduate in time with us.

Comments from department and college administrators expressed varying perspectives. When asked if traditional funding decline had impacted faculty

teaching, service, and research engagement, one administrator's response was simply, "No" and another responded, "No, none." A different dean's comments to the same question:

> Not hardly in this program, specifically. The university has a small discretionary allocation, really for the first time in forever, funding was all across the board, and now they've had some allocation of funds, based upon enrollment growth, and so the College of Business has been a slight decline, as far as numbers go, so when this discretionary funding was allocated, we did not get any. But there was nothing targeting the Risk Management program in particular, just kind of the College of Business. So we've received no supplemental funding at the time when the state funding was flat.

A department chair said, "I don't think so. Not for the people who are here, but you have to be realistic. If you are down tenure-track lines, there has got to be some things that are not getting done. I would say that in all disciplines. It's a simple fact of life." At another university, a dean shared, "Not to my knowledge. That is - but it's possible there could be some effects in my area that I may not be aware of because it wouldn't make it up to the dean level. Things that come up to my level are usually staffing issues." Conversely, one interviewee described the effect on faculty engagement as:

> Our faculty are going to go in and they're going to give their best

> efforts in a day. But, I think it becomes more challenging because we have had some class sizes that are a little bit larger than we wanted. . . . It's harder for us to provide funding to attend conferences for faculty and so we've had to become very selective and we frequently only provide funding if the faculty member is actually presenting a paper, and even at that we may not be able to fund all those that we want . . . so that's a problem because for some of the trips that (our faculty) do, in particular, they're not really presenting a paper, they're taking students to experience the industry, and so that becomes a different type of challenge for them.

Affected Enrollment

The final sub-category related to traditional funding collected data coded as Affecting Enrollment. There were fewer and shorter responses to the questions of the impact of traditional funding decline on student enrollment than to the other inquiries relating to traditional funding, and, in general, the comments were less decisive. The following were independent responses to the question, "Has student enrollment been affected by funding diminishment?": "No."; "No. No. In fact student enrollment continues to go up."; "It hasn't had any - I don't think it's had an impact on students."; "Students are enrolling, courses are closing. We've seen - the past couple of years we have seen a little bit of decline, but it's turning around this year."; "No, probably not. At least we wouldn't be able to make that definitive statement."; "It's hard to say. I'd like to - I think it probably has, but, to

be honest with you right now, we have more majors than we've ever had."; and, "We are actually at an all-time high, as far as majors." To the question, "Has enrollment been stabilized?": "It's stable, to my knowledge. I believe it's stable. With (our faculty members) and all of their energy, they've been recruiting and so, it's stabilized." and, "That is always an issue because everything here is based on enrollment. I think if you don't have them in the classroom, then you don't have the fees collected from those classes and as a result you won't be able to offer as many classes as you want to. That's always an issue."

Alternative Funding

In the context of this research study, alternative funding refers to monies derived from non-traditional, non-legislative, and non-tuition-based sources. Typical alternative funding sources for undergraduate insurance and risk management programs include alumni support, charitable donations from individuals and foundations, endowments from corporate and individual benefactors, financial support from organizations within the insurance industry, and sponsorships and scholarships from corporations and industry organizations. Although most colleges and departments receive some form of fundraising assistance from administrators and development staff, the majority of alternative funding is raised as a direct result of the efforts of insurance and risk management faculty. To achieve this, faculty must expend considerable time and resources developing relationships with existing and potential donors, in addition to managing the expected faculty responsibilities in teaching, service, and research. The time and expertise necessary to engage with alternative funding strategies and

resources is potentially the single largest constraint to the development and growth of undergraduate insurance and risk management degree programs. This was a component of the critical issue directing this study's research questions relating to traditional funding diminishment, alternative funding cultivation, and theoretical modeling consideration in program development.

The second research question in this study addressed alternative public and/or private funding resources that are currently being cultivated and utilized by undergraduate insurance and risk management programs. The main category of alternative funding was sectioned into four sub-categories: Insurance Industry, Insurance Organizations, Alumni, and Other. As in the Traditional Funding main category, when an interviewee's comment did not fit into a specific sub-code, it was presented in the generic main category of Alternative Funding. Of the three main categories, including their respective sub-codes, Alternative Funding received the largest quantity of comments at 115, approximately 40%, of the 288 total responses. There were distinct perspectives within each case study (faculty, chair, dean), as well as between common positional roles of the three bounded systems. In the generic alternative funding commentary relating to raising funds, one participant stated:

> Well, we've had a kind of an unofficial kind of a fundraising campaign going on. We've had some success, we've got a lot of things in the works that could wind up generating a considerable amount of revenue for insurance programs. I anticipate that next year, but we've always had some outside funding. . . . And now, I

> am going to these folks now trying to get them to see the benefit of it. You know, this is what we've been doing. This is how we pay for it, and our source of revenue has dried up. We've got to have money to attract students into our program and so forth. We're trying to do a value-added sort of thing. We are trying to give our insurance and risk management students opportunities that are not available to them in other programs in the university and so forth. We need the money. . . . my (college of business) colleagues would never do the things that (we) have done. First thing they want to know is what is in it for me? How much am I going to get out of this? We've, for instance, I don't use any departmental travel money. . . . We've got limited travel money to begin with and, but I've not used any since 2004. . . . (we) pay for it from the foundation account that I was telling you about.

An administrator, discussing faculty efforts in obtaining alternative funding, commented:

> Luckily, they have been able to obtain extra funding for most of their travels. . . . (They) have been very, very successful in acquiring external funding. . . . I know that they funded two student trips this past year with external funding. . . . They are out beating the pavement very, very frequently to bring in additional funding.

Relating to the demanding and time consuming process, one faculty stated, “It’s

always something nice to have, but it takes time to nurture relationships and to speak up. You don't just get money without knowing them, without having a relationship, and that relationship takes time. That is the biggest challenge." Another faculty member's comments included, "my colleague was very good and just continuing to work with students and, you know, help them get internships, scholarships, jobs . . . just trying to get monies from alternative resources." Another related to a building a relationship with a potential donor as, "Well, so far it's been received real well. Unfortunately, I haven't got a check yet." In describing his insurance and risk management faculty's efforts, one dean said:

> Our risk and insurance program is very active in fund raising and in establishing private partnerships with private organizations, I should say, that allow them to have money for research purposes, money for professional development purposes, things of that nature. . . . So a lot of the external activities not associated with teaching and university level service are funded out of those efforts, which are either college or department level, but focused on that program. . . . And that is going to continue to become more and more necessary as the constraints don't go away. So, that is an effort that the Insurance and Risk Management program has been spearheading that is now expected of every other program as well. So, that's what they have done, but it is consistent across the college at this time. . . . I don't want to pontificate. You're always wrong when you do. But, I would say that my perception, people

> need to think about the needs of the students and doing what's right, as you have said, in terms of educating them, not just for a specific job, but a career in leadership. I think that's the long term value proposition of a college education. Get the technical skills, you get the knowledge base, but you also learn how to lead and be career flexible. I think positioning programs, there is less of a focus on the specific course, but more of a focus on a body of knowledge that people walk out the door with. . . . I think that's important because we need to be able to demonstrate the cohesiveness between courses, but also the differentiation between courses so that students don't walk through and get exposed to the same thing eight or nine times, they get different experiences. I think if you do that, external stakeholders are going to like it. And be willing to come to the table and say, this is what I need. What can you do to meet that? That's my guess. We will see what happens.

A common thread in this section's comments focused on showcasing the value provided to program donors. In many cases, this involved small to moderate amounts of donated funds to finance specific program events and to provide ongoing scholarships for insurance and risk management students. Some student needs, as indicated by interviewees, include sponsorships for travel or industry designation costs. According to a faculty member:

> And then the following year we had 13, that gave us 20. And this

> year we had, in 2013, we had 17. . . . The students, there's $100 per course fee to the national alliance. And we pay that (designation) fee for all the students. . . . They have to take the exam, and they have to register for the exam before the class is over. So, we paid for all of them, whether they pass the exam or not. We paid for all of them that are eligible to earn the designation . . . last year that was $4,000.

When a chair was asked if their insurance and risk management majors receive scholarships, the response was "Almost all of them. Yes. Almost all of them. . . . So, honestly, if I had the time and the money, we could recruit students like crazy, with the scholarships that we have from those. We have this coming year, we will give out, I believe its 35 scholarships, for a total of about $38,000." That administrator described a recent survey about insurance majors and scholarships:

> They asked community college students, you know, "would you major in risk management and insurance?" "No." Then, they asked them, "would you major in risk management and insurance if there was a ninety percent chance you would get a scholarship," and the answer was, "Yes." So, if we had the resources to recruit at the community colleges, we could really, really do a great service.

In a discussion about the difficulties in developing large donations to fund an endowed position, a department chair shared:

> Well, you know, I know, I think you are looking at what the environment looks like, and then, now, the programs perceive their

interaction with that environment and all, trying to see what determines resource allocation and needs and so on. I don't know what drives all that that well, but I do know industry is the customer, if you will, for those graduates. And, they need people. And so, if they're not willing to make the commitment behind these programs, I don't think we can expect universities, state legislature, etc., to make the investment either. It hasn't happened. So, I think the industry will benefit directly from helping these programs grow and we've been blessed in that regard, although it's a minority we are funding and it's very helpful to see that the (endowed) Chair exists and students get additional opportunities, and so, I think the industry can benefit and get a good return on their investment to back these programs at schools.

Relating to funded positions in this academic discipline, a dean stated:

> You know, I think it is an unusual place to have a chair. I've never been in a school that had a chair in Risk Management and Insurance. So the fact that we even have an endowment put aside for professor in that area, I think is unusual. And, as dean, if I were just trying to decide where would I be most successful in getting endowment money, that area would not occur to me. So the fact that people had that vision and were able to see that through and go out and raise the money for that, I think it is the very big deal. So I think it is unusual to have that.

A department chair describes the value to the program of endowed funding:

> Fortunately, we do have endowment, serves to fund the endowed Chair in Insurance Risk Management and so, we have some funds. . . . So it covers the Chair's stipend, not the base salary, but it covers the Chair's stipend, and then it is also used for student organization travel and for professional certification exams . . . without the Chair we wouldn't have nearly the ability to support students that we have.

A dean from a different program discusses donations for endowed positions:

> Anything with regard to resources is what I am trying to think of. I mean we are going to have to raise resources. I think we need a second professorship, or even what we call a fellowship. Fellowship here is usually in an amount of about $10,000 - 12,000 that is for younger faculty who are coming up. . . . Well, we had the professorship, about $800,000 in it by now. If we get $1.5 million, it would be a chair. So, that would be one thing we would be working on. We are not using it right now, because we don't have the position to put it with . . . it is funded by a number of companies, donors.

Insurance Industry

Alternative funding provided by the insurance industry, specifically defined as insurance companies and/or insurance providers, is a significant portion of financing for insurance and risk management programs. The insurance

industry struggles with attracting young talented potential employees into their profession. A department chair stated:

> I think it is because of the aging of the maturing industry and the financial deregulation and all the different things that insurance companies are involved in now so, they need not only people on the insurance side and the financial services side and things like that. So the industry employment has driven part of that.

As in many other programs within colleges of business, this is the major rationale for the existence of undergraduate insurance and risk management degree programs. Interviewees' responses confirm the industry's support and the value of building relationships. One faculty member stated, "I try and use my contacts and try to find companies to go and visit them. And almost without exception, as a result of those field trips, the students get internships and or jobs. Many of them have gotten jobs as a result of interviews while on these field trips." Another said, "We also work with donors and those individuals such as companies, those who are seeking partnerships and sponsorships and we learn to pretty much make every event." A department chair agreed:

> And I think it's because of the placement, the scholarships. We have more scholarships, per capita than any other major, I'm sure. We have such good industry support, not just from the endowment to support the Chair-holder and student activities, but as far as internships and placement. The average risk management student will probably have multiple job offers, entering their senior year,

> but upon graduation, they will get their choice. It's a nice problem to have and the majors, I think, are growing because people are learning that there is an excellent placement rate.

Relating to employment opportunities for insurance and risk management graduates, a chair said, “We will have employers call us in February, wanting a really good graduate coming out in May, but I say I'm sorry, all of our May graduates took jobs after the career fair back in the fall.” Competition for quality graduates drives industry support, according to several different interviewees. “We’ve had a few benefactors; we have had some contributions from industry.” “A lot of different companies . . . It was industry, numerous donors.” “We do have some corporate donors, yes, absolutely, insurance companies and agencies.” A chair promoted, “Its public information. We enjoy wonderful support from the industry.” A dean from a different institution said, “We have an unusually close relationship to the industry here” and another dean confirmed “Just a lot of support comes from industry. Really, one reason I say that this is a niche program for us that we can really develop is that industry is on my doorstep wanting us to expand that program. Why don't you all expand this program? We need more.”

This industry support translates directly into student benefits. As this dean stated:

> Industry, of course, is very interested in the students, and student development, because they want to hire those students. Those students have a good reputation for being work ready because they have worked their way through school. They are hungry. They are

> those types of students. . . . So, they want those hard-working students. Because we have them and we have the program that we do, they are on my doorstep. They want to see it develop. So, therefore, they do provide funding. Funding in scholarships, they love to give the scholarships. Of course, they have the name of the company on it, which we are happy to do. . . . Absolutely, we are happy to do it. They want to give (students) money, we will give them the advertising we can give them. And, they understand that there needs to be this excellence money. . . . There is a lot of money that comes in for scholarships. And then, there is a good bit of money that comes in for excellence money.

Comments from another program included, "They have a history of supporting us, so they have been investing in us for a long time. And so, we have an extraordinary amount of scholarship money for our students. I would say extraordinary. We have some endowed money, but we enjoy support from all across this metropolitan area."

In addition to funds dedicated to scholarships, the insurance industry provides funding for faculty positions and development. A dean describes this support:

> They know that the faculty need funding. The faculty, if they are going to be outstanding faculty, they are going to participate in the organizations and the meetings and give their papers, they need funding as well. So, I think industry understands the need. And

because we are a source, if we were not a source, they would not be here.

Some undergraduate insurance and risk management programs have received endowment funding. At one program, "(An insurance company) has actually endowed a (named) Professorship of Insurance. It's not fully endowed yet. An endowed chair takes a million dollars. A professorship takes five hundred thousand. And, so their goal is to endow this professorship and they are putting $100,000 a year on it. We have $200,000 in there now." Another insurance and risk management program in this study has an endowed chair position and the third program is building the funding for an endowed chair.

Insurance Organizations

Insurance organizations, as a funding source, are separate from insurance companies. While heavily supported by insurance providers, insurance organizations are typically not-for-profit entities that serve their members and related causes. Companies can be members, but individual employees in the insurance industry comprised most memberships. These organizations are usually focused on specific functions in the industry, which is generally identified by their name. Chartered Property and Casualty Underwriters (CPCU), National Association of Insurance and Financial Advisors (NAIFA), Chartered Health Underwriters (CHU), and Independent Insurance Agents (IIA) are easily identified as to their respective constituent groups. Risk and Insurance Management Society (RIMS) is for insurance risk managers, corporate and public sector. These national organizations have state and local chapters. There are

many other insurance-related organizations that provide financial support for undergraduate insurance and risk management programs. "Some of them are organizational support like CPCU and RIMS and Independent Insurance Agents," according to a chair. Regarding scholarship support, a faculty member said, "They have a foundation, a particular foundation which is aimed at supporting education. It's good in the sense that we are one of the schools that is going to get support. They give scholarships every year, which is always nice." Another said, "that (specific) organization has provided us with tens of thousands of dollars for scholarships . . . our students apply and are often successful in getting the general scholarships. Our local RIMS chapter last year probably gave us $8,000 in scholarships . . . we've gotten $4,000 from them this year." The third faculty stated, "they give one or two scholarships a year . . . most years we get anywhere from $2,000 to $4,000 of scholarships from them."

Most of these insurance organizations favor funding scholarships, but some dedicate funds to other purposes. A faculty said they received funds for:

> Student travel, we take our students to RIMS, we take our students to Gamma Iota Sigma. . . . We take some of our students to the Troy University Surplus Lines Symposium. . . . And pay for two or three students to go to the RIMS conference, depending on how much it costs. This year, they paid for two to go to Los Angeles.

Another faculty reported that an industry organization gave a significant endowment contribution. "When they were funding the chair, they gave us a lump sum of $25,000."

Alumni

At many universities, alumni provide funding for numerous activities, such as athletics, facilities expansion, naming rights, endowed positions, and specific academic programs. Alumni are a natural donor focus for undergraduate insurance and risk management programs due to the relatively small size of most of these degree programs and, as a result, to their personalized nature. According to one faculty member, "We are going to actually start a fundraising campaign, targeted at our alumni to raise money for scholarships, for money that we can use to pay for tuition, money that we can use to pay the fees for (student designations), money we can use to pay expenses related to the collegiate studies at CPCU." A chair described the relationship of their alumni to the program:

> So many of the interactions go through the (endowed) Chair because it's alumni who went here and remember him as the faculty member, it's people who he has corresponded with, as students were getting placed, people who have come to career day, it's people who serve on the advisory board, I mean there is a lot of interaction that the insurance chair-holder has directly with those employers that give them better focus, as opposed to me being the primary interface, whereas I am looking after all the programs in the department. So I think having a chair-holder is a big plus in that regard because a lot of the employment opportunities are communicated directly to him and are there to disseminate. Find

> us a graduate, find us a student. Tell them about the internship.
>
> We want an internship this summer, that type of thing.

Another chair stated, “We have very active alumni.” A dean reported, “We have great alumni support.” One interviewee said:

> We’ve got some alumni that donate by payroll deductions, send in a check to the foundation every month, and so forth, so their employers match it, so we've got some revenue coming in. We started updating our records. We do a quarterly newsletter, our students, alumni and supporters, employers, and so forth.

The number of responses coded to Alternative Funding – Alumni were the smallest sub-category, but every institution provided commentary relating to the positive support and funding received from their insurance and risk management alumni.

Other

This sub-category contains comments that did not specifically pertain to the sub-categories above, but were very focused or particular in nature so as not to fit into the generic main category of Alternative Funding. In describing the combined effort of insurance companies and related organizations, a chair said, “Every summer they want interns. They come to career day every year. They want our graduates, to provide scholarships, as well. So, it's both the organizations, as well as the corporations.” Another chair stated:

> It's the trade association group. They have an educational foundation and their trade association, our people just got back

> from there. And, they support insurance education across (our state). . . . We have had Spencer (foundation) grants . . . we have raised a lot of money for a chair, but not enough to have a chair. And in that process, we received tremendous support, not just from alums . . . they have just been absolutely wonderful.

A dean spoke about his undergraduate insurance and risk management chair and faculty efforts in fundraising, "They are trying to get everything they could get. There have been some bequests made." At a different university, the comment was made:

> We have a risk manager that retired from the city utilities recently, he still works there part-time. He was given a national award by an energy (organization from another state), they specifically worked with utilities. This guy was given a national award. As part of that award, he was given $5,000 he could use as he saw fit, and he provided for a scholarship.

Another faculty member said, "We have success. . . . It just depends on where you seek, but overall the support is there. It's just who you ask, how you ask." A chair from another program said, "The competition is really heating up, for external support. . . . any kind of discretionary money. And that's the hardest money to come by . . . so, we have a lot of very formidable competitors for support." In a discussion about collaboration with other undergraduate insurance and risk management programs, a faculty member stated:

> When the Insurance Education Foundation was doing the

> institutes, we actually shared everything with other (programs') students that were doing the institutes and we've helped other schools become eligible to do those institutes. . . . We have worked with a couple of schools to help them get started with Gamma Iota Sigma. When I brought my students to (another program's) induction ceremony, we paid for the students traveling expenses, rented a van to drive over and we paid for the hotel and so forth.

Theoretical Modeling

Bess and Dee's *Models of Organization – Environment Relations* (2012) theoretical construct was the lens through which each of the three case studies was analyzed and evaluated. Bess and Dee's theoretical model was utilized to understand policies and practice in higher education institutional organizations. This study was designed to explore the utility and applicability of the model to undergraduate insurance and risk management programs in their development of strategies and resources for alternative funding. This was a new and unique application of this model, not only to the critical issue of funding diminishment but also to this specialized field of insurance and risk management education, as well as to the generalized arena of program development. As each of the three undergraduate insurance and risk management program's data was coded and categorized, any alignment with the organizational theories embedded within the *Models of Organization – Environment Relations* was explored in order to identify their positional relationship with the external environment.

Table 4.2. Bess and Dee's Models of Organization-Environment Relations

		Environmental Determinism (degree of control environment has over organization)	
		Low Determinism	**High Determinism**
Perceived Strategic Choice (organization's perceived degree of freedom to control environment)	**Perceived High Choice**	***Quadrant One*** **Exploitive/Strategic Model** Strategic choice and adaptation (resource dependence theory)	***Quadrant Two*** **Symbiotic Relationship Model** Symbiotic relationships, differentiation (contingency theory)
	Perceived Low Choice	***Quadrant Three*** **Passive Interactants Model** Incremental, adaptation by chance (random transformation)	***Quadrant Four*** **Deterministic Model** Minimal choice (population ecology theory, institutional theory)

As a result of this analysis, the program's position within the four perceived strategic choice versus environmental determinism quadrants was tentatively identified.

Within the general category of Theoretical Modeling, this study's participants shared their perspectives on the utilization of theory and modeling in the development of their program. In general, the use of *a priori* theory was not explicitly employed in the development of alternative funding strategies or resources utilized in the development of any of this study's undergraduate insurance and risk management programs. However, 86, approximately 30%, of the 288 coded data responses provided by the interviewees related to theoretical modeling. Theory-based dialogue was less represented by faculty commentary than by administrators.

When asked about the use of theory in program development, one faculty

said, “Well, we haven't considered that very much.” Another stated, “I have not, to be honest” and the third, when asked if they had any knowledge about any other programs that use specific theoretical models, said, “No, I don't.” When queried about how development planning was designed, a response was, “I think, probably more by trial and error and out of necessity, we find ways to develop our resources. I don't - to be honest with you, until I sat down and talked with you, I never thought about a theory.” A different faculty expressed, “We never used models to discuss a program.”

A chair noted, “No. That is not an area of research that I'm familiar with at all. . . . That would give you strategic-focused goals, I suppose.” Another chair concurred, “No. Not to my knowledge.” The third department chair stated, in discussing the use of theory:

> I think the issue there is, and I think this applies to seeking external funding in general; there are very few people who have an instinctive knowledge of how to do it. . . . But, for the rest of us, there is a learning curve. And to the extent that we can model effective ways of going about it, I think that's value added. Now, for the people that have that instinctive knowledge, they're probably going to look at it and go, I don't know if a theoretical model like this is going to help at all, but for those of us who are new to the game . . . It could give us great starting points.

When a question was proposed asking their perspective about theory driving practice, or vice versa, a faculty responded:

So, I don't have any educational background in the education field at all. I think that our course offerings here are industry driven. In other words, we find out, we try to find out the skills, that the - well, in the entire college of business here, try to find out the skills that the various disciplines are seeking, and then we teach that to our students and probably the faculty, the strong researchers, probably do research in those areas and so forth. So the practice is driving the theory, would be my guess.

Continuing the discussion on theory and practice, a chair commented:

I think it's a back and forth and a give and take, because, on the practice side, we find better ways of doing things all the time. And some of this is very much theory driven. . . . Without research to help drive where we are going and what we are doing, or to look at what will the impact of things be, you're not going to see movement forward on the practice side. . . . But at the same time, practice has to inform the theory. Because if the theory is so esoteric that you can't apply it in any way, it doesn't do any good. . . . I think there is this give and take between the two and trying to isolate one side from the other is probably not the best thing to do, if that makes sense. . . . I think risk and insurance is also a very young field. . . . It's kind of strange though, because we're very young academic fields of study, relatively speaking, but we're very old practice. And so, the very old practice is where we are going

> to draw information from to try to start developing theory. But then, we have to go out and test the theory against - does it work in the modern world? So, you know, I think that influences things. I think with insurance and risk management, particularly seeking external funding, you have to be very, very tied to the practice community. And that keeps the focus on the practice side, I think sometimes to the detriment of the research side, or the theoretical side of things. . . . Because, when you have to go out and talk with the people in the field every day, they don't necessarily want to sit back and talk theory, they want to talk, this is what's going on, this is where the money is. This is where things are headed. This is how healthcare reform is going to start impacting what's going on, so they want to be very, very practice oriented.

A dean brought a different perspective to the theory versus practice discussion:

> I think there is a relationship between both elements. I think across any field, if there is a disconnect between theory and practice, or if science isn't driving practice and if the practice isn't informing what kind of science is going to be done, then that field is not going to survive very long. I would say that's true of any academic discipline. That's what the utility of academe is all about. So, do I think there should be a relationship? I'm not completely certain what the question is asking, but if the question is, do I think there needs to be an interrelationship between

sciences and then what actually happens in the field, then yes. I would say that's true of business, of music, of medicine, of anything. . . . I think I can't speak to that specifically with regard to insurance and risk management. . . . Well here's my own broad take. And it doesn't matter about the discipline. If you conduct research that has no merit, you will receive no funding long-term. You might get a one-off and done. Primarily, in any college of business discipline, if you were doing something that does not tie to practice, it's going to be incredibly difficult to get funding because you are not going to a government entity to get funding, you are typically going to foundations, private corporations, private donors. They want to see utility. They want to see what they are getting for their dollar. And it might be to look at something in a new way, which may or may not work, but that's theory driving practice, but only to the extent that the theory is designed to improve something, not just exist. It's not just a pretty widget on a computer screen. . . . So, I would think that that's true of any discipline. Now there are some disciplines that are closer to practice as you indicated and further away from practice than others. But regardless, the only way we are getting funded from private, non-government-based sources is by being able to make the value proposition, just like in sales. It's a value proposition issue.

A different dean ruminated on the issue of which drives the other, theory versus practice:

> I think it can work both ways. I've seen cases of where you start doing something and you are not doing that based on theory. You are doing it because it feels like the right then. And then you realize as you have success in it, there is an underlying systematic reason why this works. There is a causal relationship here. But maybe you didn't see that, starting out. There are other things, for example, organizational behavior, and how we relate to subordinates. I spent all morning doing evaluations of my department heads. So, you know, there's a whole theory of how you lead and how you inspire and how you motivate people and so, I'm thinking of those things as I'm doing the evaluation. So in that case, I'd say theory comes first.

This dean shared their pre-academe experience in the business world:

> I was a supervisor and I oversaw that department. And, so I'm familiar with this environment and the insurance environment and all that. You know, I guess I don't have a lot of experience in risk management. But, there are all kinds of risk management models, you know, how to be in loss prevention and safety and all that. And I think that certainly does drive a lot of how we do things in the world, but I also saw a lot of cases where we are just doing things. . . . My guess is that you are going to find very little

> underlying theory driving what's happening. That's my guess. My guess is it's going to be a very practical, you know, application of what the school believes is the right way to go. I don't think schools are doing things because of theory. I think schools are doing things because that's the way it's been done for a long time.

Summing up the balance between theory and practice, a dean said, “I think that pragmatism or, as you were thinking, the link between theory and practice, there's got to be a pragmatic solution. But we can't give up what makes academe, academe. I don't like the ivory tower stuff, and I know you don't, as well.” A chair shared that perspective, in stating, “I don't like to function that way personally, so, most people know me as fairly proactive and try to think through where things are going. We may be in an interesting situation for the coming year, because our new interim dean actually comes out of more what I am considering an organizational behavior background.” A dean posited:

> It is a nebulous topic. And as you are talking about organizational theory, that's one of the problems with organizational theory, as a whole, is precise measurement, because to replicate things, you have to have precise measurement. It's much easier to look at stock values. It's much easier to look to an actuarial table. It's much easier, but because it’s easy doesn't mean it's the only thing we can do, but, it requires a lot more time. . . . There is a perception, that there is a huge disconnect. I think that as accountability increases that perception will go away because

> people will not, at their very nature, realize what value is added. But, because of imprecise measurement in the past, we have not been able to show that. Yes, you can show that people with two years of (post-secondary) school get a higher wage than people with none. Or people with four, get a higher wage than people with two. Yes. Absolutely. But there are the ripple effects that we haven't measured as well. . . . And so, I think, if that's what the industry needs, those are the skills that are going to start driving it. I think it will drill down to the program level. . . . I wouldn't say that you have seen that historically, but I think so you will see that moving forward.

All nine participants were experienced in linking theory to academic research, but none were conversant with the utilization of specific theoretical modeling in strategic funding of an undergraduate insurance and risk management program. When the discussion of theoretical modeling produced no further substantive dialogue, Bess and Dee's *Models of Organization – Environment Relations* was introduced. This theoretical matrix was completely unfamiliar and an unknown construct to the participants. All of the study participants were intrigued, but with varying levels of interest. They displayed a tendency to view the four quadrants as compartmental cubbyholes to categorizing where their program fit into the matrix. A faculty member expressed concern about positional assignment within the matrix and questioned the desired or optimal quadrant location:

> So, I'm just really on top of my head without any serious thoughts

> on this model. I think you will find a lot of disputes regarding which one is ideal for the program. I think you may have disagreements, regarding which is the ideal position. . . . So that's always the challenge. So, again I don't know much about the model. This is definitely interesting, new to me. . . . I'm saying it's an interesting model, but, I'm just wondering if you want to argue this particular quadrant would be the best . . . But I think we are starting to look at the background of theory, which is always a nice plus, to support your empirical evidence, I think it's nice. I personally wasn't sure of those two, which is ideal. I can't tell you the answer.

A dean, when asked about the value of this type of theoretical perspective, responded:

> Yes. Absolutely. I think it's a good, it's a good framework, there is a reason it's been published and it's out there. At least based on what I am seeing here. And I think there is logic behind looking at the environmental pressures or whatever you want to call them versus perceived choice. There is always going to be interaction there, right? And this seems to make - I might change some words in here as you have already indicated you would as well. Because I think that even a symbiotic relationship is a strategic choice. You choose which partners you are going to go after and which ones you are not. Even in a strategic choice framework, you are still

going to have to have a mutual relationship.

Another dean expressed uncertainty as to the practical value of evaluating the applicability of existing insurance and risk management programs within this theoretical model:

> I think you would see that impact at the beginning of the program. I think you would, I mean, I can see what you are saying, in other words in this Quadrant One. I can see how you could lay this theory on top of - and that's really what you are doing. . . . Practically speaking, I doubt. Because our program is really well established and really entrenched. Would it be interesting to be able to say, okay, this is the type of relationship that we have with the people that support the university? Would that be interesting? I think it would be interesting. Would it change, would it have an impact on our behavior? Probably not. I think the only time I would see an impact on the behavior is if somebody would try to move from one to the other. . . . So, I would think not as helpful as a positive, descriptive, here is where you are, but, if I, in fact wanted to - in fact if I were over here, and I thought, you know, I really think this is a better place for us to be, I think recognizing the drivers of that would be helpful.

Resource Dependency Theory

Resource dependency theory claims that organizational dependence on external environment resources can be mitigated through strategic partnerships

and relationships that are mutually beneficial and desirable for both entities, thereby shifting the power imbalance from external control to organizational strategic influence. Bess and Dee's *Models of Organization – Environment Relations* (2012) displays this in Quadrant One – Exploitive / Strategic Model and characterizes this model as strategic choice and adaptation. The largest undergraduate insurance and risk management programs exert considerable influence and control in their relationships with external funding stakeholders. A faculty member said "I think the larger schools were able to, as you said, have the control, which is ideal. . . . Again, that depends on what we can have, in terms of resources." A dean observed, "(Large tier-one programs) can do what they want."

Contingency Theory

Contingency theory posits that numerous available options need to be considered in order to identify an appropriate effective or best solution to an organizational problem. The optimal organizational structure is affected by the nature of the external environment within which it operates. There can be numerous methods and pathways employed to reach an optimal solution and what works for one organization, in their specific environment, may be different than what works best for another program. In Bess and Dee's *Models of Organization – Environment Relations* (2012), Quadrant Two – Symbiotic Relationship Model, contingency theory is presented to explicate symbiotic relationships and differentiation. This elucidates an undergraduate insurance and risk management program's perceived high level of strategic choice and the corresponding high

degree of determinism exhibited by the external funding stakeholders of that program. A faculty member stated:

> We, from time to time, get input from industry, on our insurance and risk management program, but we try to find out what it is that our employers are looking for. What sorts of skills that are going to be beneficial, and we try, to a certain extent to accommodate that, given the fact that we've got a diverse group of folks here.

Discussing Bess and Dee's *Models of Organization – Environment Relations* (2012), a dean commented on Quadrant Two:

> The symbiotic relationships work. They work at the local, regional and state . . . but you are still going to have a mutually benefit relationship or it's going to not be sustained. Someone will, if it is a win / lose proposition, you are never going to stay in business long-term, you know, and make it worthwhile. And the insurance industry is very familiar with that. Especially at the front office level, or the local office level, their customers perceive that they are losing too much, they are going to go right next door or go to the local competitor. . . . So, I think people have choice. I think how long it's going to be sustainable is a different model and I think the only way it's sustainable is if you chase those things that are going to benefit everybody long run. So, yes. I think there is some merit there.

Another dean stated, "I would say it's very symbiotic. . . . I find contingency

theory very attractive. I find it actually more attractive than a situation where we are controlling industry because this means that we are listening to industry, that we are adapting to industry needs, we are theoretical. We teach theory." A chair discussed theory-based practice:

> This is one area where I am much more on the practical side, because people frequently don't think in terms of long-term goals, this is where I want to be, this is how I can influence the outcome, if you do think in that manner, I think you have the ability to influence things significantly. . . . And I think that's one of the things that I've been doing more of, in all my great amount of free time that I have, I try to find time to do some reading in organizational behavior occasionally or in leadership-oriented things. Simply to - some of the things that I see, as I mentioned the instinctive element of - put the right terminology on it. Talk about it in a way that my colleagues can understand so maybe they change their ways thinking about some things. So I think that's a big hurdle, really, from an administrative point of view, is transitioning faculty from wanting to be reactive to proactive. . . . Within this department, (our faculty) do tend to be very proactive on the things that they do. They are out engaged in the community, they do change their curriculum in response to changes in the community. For example, the last course that they added was due to a change in licensing requirements. They wanted

> to make it a course that they could offer, which would meet the legislative requirement for licensing in that particular area. And so, it was partially reactive, but it also proactive, because they were the very first ones to do it. Just like they were the first ones to do the (specific designation) program. They see those opportunities for their students and their program and they pursue those diligently. And I think that helps them position themselves. And then they brand it in such a way that it makes it easier when they go out to fundraise. So, the building of their brand and the building of their program is always at the front of their lives on what they are doing and they think about that, so that they know how to talk when they go to the business community about, our students are doing this, this is our ranking, we are the first to do this, or we're the first mover in this area. And that has helped them significantly with regards to that.

A dean at a different institution offered the perspective:

> But at the same time, we have to respond to industry and incorporate that, so that we are on the cutting edge, so to speak. Now, maybe you can do that when you are controlling, but to me, this is more attractive. We are working; we have this relationship . . . more of a partnership. It's much more attractive to me than them controlling me or me controlling them. It's hard for me to even imagine controlling industry. . . . But, if that is what you

> mean by control, but even then, it's a symbiotic relationship, I think. That doesn't mean we do everything, they don't dictate to us. They don't - I have yet to see anybody try to dictate to us, but they will often say, well we don't do this. We don't use this. This is what we use. We need to know that.

A faculty member pointed out that different methods work in different situations, "This will be diverse, things like that depending on who you ask, you have different thoughts on the same issue about which one works for which one and that would be different answers." Another dean discussed different perspectives:

> I think if you look, and there have a number of recent articles about the role of academic administration, particularly within business schools. And looking at the strategic direction angle, and looking at the chasing the symbiotic relationship angle, they don't use those terms, but that's what they are looking at. . . . This is not department level, but many areas have gotten themselves into a reactive model. Stakeholder says do this, so I do this. And I think it is much more useful to think proactively, which is the symbiotic relationship model, really. You are thinking proactive. So, what do I need to do so that it's the right thing to do, but it also meets the needs of whatever stakeholder we are talking about, student group, legislative body, higher administration, employers. . . .You are proactively shaping your future, which means, you have a choice. You have a choice of how to allocate your resources, time,

> labor, effort, those things. . . . That's where it comes - that is our next big challenge is academe, and I think that is our next big challenge at the department level because to continue to rely on philanthropic endeavors to build programs, you have got to be able to show value. The why behind what we do. . . . You know, I think, to be honest, I'm not in a really good position to say what works. I think that's just the nature of - the rapid nature with which I found myself and the situation that I'm in. But, in looking around at programs that I have seen emerge as successful in this current market, I think those that clearly articulate where they are, but also clearly articulate a willingness to be flexible to meet the needs of whatever constituent group. . . . So, here's where we were. This is how we define ourselves. This is our core product. But we can add to, subtract from, modify, rearrange to meet your needs, whether it's funding, whether its students, whether its whatever, I think you will see a lot more of that. And I think that in the future, you will see more flexibility within program tracks, as well, certificates, pathways and different things, in reaction to those stakeholder needs.

Population Ecology Theory

Population ecology theory is based on the evolutionary concept of natural selection whereby the external environment determines the evaluation and selection process to decide which organizations succeed or fail. Population

ecology theory, including its niche theory subset, and institutional theory are examples of the minimal choice characteristic of Quadrant Four – Deterministic Model. Within the context of this study, population ecology theory posits how external donors and funders select undergraduate insurance and risk management programs for success. Relating to acquiescing to industry expectations, a dean commented:

> Well, and I would still say there is push-back if you start looking at privatization. If you think about the things that people are saying in education, whether it's K through 12, or higher education, in terms of the increased accountability, right? Which is, can be a very, very good thing. It's very healthy, but many of the things that we do in education are not easily measurable or quantifiable. It's not the same as the number of sales calls made. . . . or number of sales calls closed. How do you measure effectiveness accurately? We can get perceptions, we can get reactions, but that's not a valid account at all times. So, I think that that's an even more important question to me, in terms of - you talk about coming from an education - education fitness program, and how college of business might react more favorably to privatization than education. . . . I think that might be true, but I think it's what we all are going to push back from, is defining our measurement model.

A chair noted the differing objectives between faculty and donors:

> And so, it becomes hard, I think, sometimes for academics to pull themselves back and focus on that research if they are having to focus on seeking funding all the time because they have to talk what the practitioner wants at that point, on that day. And it's a challenge, I think. And I think there's going to be kind of some give and take, back and forth, for a while.

A different perspective from another chair recognized the importance of meeting expectations of industry supporters:

> Well, I'm not really sure that's true. I don't believe our stakeholders feel that way, but they want people who are going to go into the field who have some acquaintance with it. So, they want them to be well educated, articulate, able to solve problems, they would like for them to know something about insurance, the best way to get them into the field is to have them major in insurance, but here again, they are really very flexible. Like I said, some of our biggest, biggest cheerleaders, I would call them, and our biggest supporters, don't have degrees in Risk Management. They have a degree in something totally different.

Niche theory. Niche theory is a subset of population ecology theory, in which organizations conform to imposed expectations and compete for resources within an environmental milieu as determined by the external environment. Within colleges of business, undergraduate insurance and risk management programs are considered a niche specialty and typically not considered for any

significant level of general funding. This is evidenced by the small number of these programs in existence, nationally. Furthermore, niche theory, nested within population ecology theory, is not commonly known nor discussed. As related by a dean:

> It's a niche area, but I think we would be successful there. So I don't think understanding the underlying theory would change the way we would approach that. . . . So, I don't think we have lost the courses. It has not affected the courses. But, Risk Management and Insurance is a niche that we can exploit, because there are not many programs in (our state), so, it is one we can really capitalize on. . . . But, as far as other, just a lot of support comes from industry. Really, one reason I say that is a niche program for us that we can really develop is that industry is on my doorstep, on my doorstep, wanting us to expand that program. Why don't you all expand this program? We need more, we need more, we have to go all the way to Georgia. You have to go all the way there to hire.

Institutional Theory

Institutional theory proposes that organizations are compelled to exhibit mimetic and normative structure and behavior as determined by their external environment, thereby conferring isomorphic legitimacy and authenticity. This creates substantial pressure on an undergraduate insurance and risk management program to conform to industry and donor expectations. A faculty member

responds to this pressure with, “When we talk about program development, the biggest concern is to have someone dictate what you do.” This high level of external environmental determinism affects different departments and programs. From a department chair, “I've worked at several and I think the main thing we do is we tend to be very reactive. This is happening to us or that is happening to us.” Higher administrators are generally more vocally resistant to industry pressure because they are farther removed from the faculty / industry interaction. A dean observed, “That doesn't mean we do everything, they don't dictate to us. They don't - I have yet to see anybody try to dictate to us, but they will often say, well we don't do this. We don't use this. This is what we use. We need to know that.” Another dean stated, “This makes sense and, you know, I would argue that most academic institutions have a tremendous choice at the program level, at the department level, at the college level, at the university level, in terms of what they're going to choose to spend their resources on, what type of faculty to bring in.”

Random Transformation Model

The random transformation model, which is not a formalized theory, suggests that organizational and environmental shifts occur randomly and the success or failure of an organization is merely accidental, fortuitous, and a matter of chance. Quadrant Three – Passive Interactants Model is described as incremental and adaptation by chance. The level of the perceived strategic choice of the insurance and risk management program is low, as is the degree of control exhibited by its external stakeholders. A department chair said, “I don't think the

majority of colleges of business operate in a way that they really examine their environment closely." A dean from a different university observed:

> There are all kinds of risk management models, you know, how to be in loss preventions and safety and all that. And I think that certainly does drive a lot of how we do things in the world, but I also saw a lot of cases where we are just doing things. . . . because that was the way they had been done. . . . I think you just come back to that whole - it can work both ways, depending on the circumstances. . . . I think people are kind of on cruise control, is my guess.

Summary

The interview settings and context were elucidated and discussed. This chapter presented the data collection process and coded findings. This started with a description of the Interview Protocol, as per Appendix C, which included the study's four research questions and related inquiry probes and prompts. These were employed to maintain reliability and continuity for each of the nine interviews. The utilization of the MAXQDA qualitative data analysis software was presented to explain the data coding process. The 288 verbatim data chunks were coded into three main categories, Traditional Funding, Alternative Funding, and Theoretical Modeling, each with their respective sub-categories. Each of these 17 categories was presented with their corroborating interviewees' commentary and quotations.

Chapter Five, the final chapter of this research study, will analyze the collected data findings and discuss the study's implications to research, theory, and practice. The last chapter will present my conclusions and summations, and propose the value and significance of further research within this specific undergraduate insurance and risk management discipline, as well as to other potential academic fields of study.

CHAPTER V

DISCUSSION

Chapter Four described the data collection and coding process and presented the study's findings based on nine interviews conducted within three bounded systems. The data were anonymously ascribed to the participants' academic position when that attribution was pertinent to the particular data segment. The data were coded into three main categories: Traditional Funding, Alternative Funding, and Theoretical Modeling, each with specific sub-categories. This coding process resulted in 17 distinct classifications. The interview settings and context were presented to provide a thick, rich description of the data collection process and procedures.

The final chapter of this research study will analyze the coded data and discuss the potential implications of the study to research, theory, and practice. The chapter will first re-present the research problem, research questions, and the overarching purpose of the study. The research methodology will be revisited to establish the rationale of the data collection process, including the setting and context of the interviews. An analysis of the coded data will be performed to ascertain how traditional funding diminishment has affected the three undergraduate insurance and risk management programs that were the focus of

this multi-case study. The coded data will be further analyzed to discover any alternative strategies and resources utilized and cultivated by these programs to mitigate their traditional funding decline and to enhance their program's fiscal development. The final component of data analysis will focus on exploring the efficacy of Bess and Dee's *Models of Organization – Environment Relations* (2012). The analysis will explore the appropriateness of this theoretical model to explicate these bounded systems' degree of perceived strategic choice and control within their existing relationships with external insurance-environment stakeholders and donors. The discussion will continue to explore any potential implications of this study to the specific discipline of insurance and risk management research, theory, and practice, from both an academic and practitioner perspective. The chapter discussion will conclude with a presentation of the study's limitations, expectations, and suggestions related to further research.

Research Problem

The systemic decline in traditional legislative funding has led to the reduction and/or elimination of many specialty undergraduate degree programs, such as insurance, real estate, advertising, and human resources. However, some undergraduate degree programs in insurance and risk management have flourished despite the diminishment of public funding. Although each of these insurance and risk management programs has distinctive characteristics, many have utilized common strategies and resources to mitigate and supplant their traditional funding deterioration. Large top-tier programs have maintained their

student enrollment and faculty levels due to status and prestige, research funding, and substantial endowments. Many mid-to-small programs have continued to succeed despite their lack of funded research and endowment largesse. These undergraduate insurance and risk management degree programs have utilized and cultivated alternative funding strategies and resources to replace their traditional legislative financial support (Klein, 2012).

This study explored the efficacy of how an appropriate theoretical model, such as Bess and Dee's *Models of Organization – Environment Relations* (2012), can inform the financial development of an undergraduate degree program in insurance and risk management.

Research Questions

The following research questions guided this study:

1. How have undergraduate insurance and risk management programs been affected by systemic budget constraints and funding declines?
2. What alternative public and/or private funding resources are currently being cultivated and utilized by undergraduate insurance and risk management programs?
3. What theoretical modeling, if any, has been employed or developed by undergraduate insurance and risk management programs to mitigate their funding deficits?
4. What information derived from the exploration of the efficacy of a theoretical model can be utilized to inform an undergraduate insurance and risk management program's mitigation of systemic funding decline?

Purpose Statement

The purpose of this study was to discover any alternative funding strategies and resources being utilized or cultivated by three insurance and risk management undergraduate degree programs to mitigate systemic traditional funding diminishment in three insurance and risk management undergraduate programs and to explore the efficacy of Bess and Dee's *Models of Organization – Environment Relations* (2012) theoretical model's applicability to explicate this developmental process.

Research Methodology

This qualitative research study was designed within the constructivist epistemological paradigm to explore systems theory, wherein researchers strive to comprehend internal conditions and their relationships to external environments (Bess & Dee, 2012). A systems theory perspective served as the conceptual framework through which to examine Bess and Dee's *Models of Organization – Environment Relations*, which comprises Resource Dependence Theory, Contingency Theory, Population Ecology Theory, Niche Theory (a subset of Population Ecology Theory), Institutional Theory, and the Random Transformation model (2012).

Interviews were conducted with college faculty, department chairs, and deans in three colleges of business that currently have an undergraduate insurance and risk management degree program in order to: identify any level of traditional funding decline experienced by these programs, attempt to discover any alternative funding resources being used to mitigate the loss of legislative

funding, and explore any theoretical models utilized for developing alternative funding resources. The collected data were analyzed to evaluate the efficacy of Bess and Dee's *Models of Organization – Environment Relations* (2012) relevance to an undergraduate insurance and risk management degree program funding. An essential component of qualitative data analysis is corroborating and validating the data findings to attain trustworthiness in the research. This study endeavored to achieve accuracy in data collection by asking open-ended questions, allowing the interviewee wide latitude to express their thoughts and perspective. Two digital voice recorders were employed to minimize the potential of any technical malfunctions. Each recording was listened to twice in its entirety to maximize accurate transcription. Verbatim transcripts were reviewed multiple times in an attempt to fully understand the participant's contextual intent, after which each transcript was sent to every participant for member-checking. This process produced high quality, low-inference descriptors for data coding.

To facilitate data coding and analysis, MAXQDA qualitative data analysis software was utilized for efficiency and accuracy in coding relevant data chunks to analyze for applicable emerging themes and patterns. This allowed an efficient and manageable method to evaluate nine interview transcripts, as well as supporting auxiliary data, in order to create appropriate coding categories for the large quantity of data collected. The sub-categories in Traditional Funding and Alternative Funding emerged from this coding process. The nine verbatim transcripts produced 288 data units of thick, rich description for analysis. The introduction of numerous program documents and institutional artifacts,

photographs of the interview settings and context within the department and college, and digital and written researcher observations and field notes in addition to the coded transcripts produced a high degree of data triangulation. Preserving the authenticity of the interviewees' responses and meanings, both indigenous to their specific program and generalizable in this applied discipline of insurance and risk management, was paramount to the credibility of this research study. These methods support the transferability, dependability, and confirmability of this research (Erlandson, Harris, Skipper, & Allen, 1993). Reflexivity was attempted by my consideration of self-awareness, as well as critical self-reflection, of potential bias adulteration of the data.

Reflexivity of the Researcher

Within the context of the "researcher as an instrument" in a qualitative study, I have become the lens through which all the data is collected, analyzed, summarized, and presented. Therefore, my role is delineated through my experiences. As a result, I am compelled to explicate my relationships in this study in order to elucidate the integrity and clarity of the research. I teach finance and insurance courses in the College of Business, Department of Finance at the University of Central Oklahoma. I am the sponsor / advisor for the Beta Epsilon Chapter of Gamma Iota Sigma, the International Risk Management, Insurance, and Actuarial Science Collegiate Fraternity. In this capacity, I accompany college students to the annual Gamma Iota Sigma International Conference. At these conferences, I meet faculty from all over the nation and I have a cordial professional relationship with the three faculty selected for this study. Prior to the

interview process, I had never met the three department chairs nor the three college deans, but all the study participants were very collegial and supportive of my research.

Over the years, I have seen some insurance and risk management programs become very successful and others teeter on the brink of failure. Upon examination, and thorough discussion with academic colleagues, the mitigating factor seemed to be funding. Our program and department, like almost every other that I explored, has experienced funding diminishment from traditional sources. As the coordinator of the Insurance and Risk Management program at my university, I have struggled with procuring funding for many collegiate events and conferences. This became the impetus for my dissertation research topic. Working from the perspective that underlying theory explicates observed phenomena in practice, I sought guidance from my mentor and dissertation advisor. He suggested that I consider various organization theories presented in Bess and Dee's *Understanding College and University Organization: Theories for Effective Policy and Practice.* Their Models of Organization – Environment Relations was an unfamiliar theoretical construct that elucidated the complex relationships between academic institutions and their external stakeholders. I chose to explore the efficacy of this theoretical model to evaluate its applicability to inform and guide an undergraduate degree program in insurance and risk management.

Because I had never utilized theoretical modeling in the development of my insurance and risk management program, I presumed that was a substantive

deficiency in my academic capacity so I was anxious to learn what theories were being employed by my faculty colleagues at the three insurance and risk management case studies that were the focus of my research. I was surprised to find that none of the nine participants utilized any specific theoretical models to inform their insurance and risk management program development. However, I was very encouraged by their willingness to discuss and explore the value of theory to explicate, and potentially direct, their program development.

Synopsis of Data Findings

Every participant responded affirmatively that their program has been affected by traditional funding diminishment and systemic budget constraints. Participants' perspectives relating to the impact of funding decline on their program varied by academic position and placement within the three bounded systems. In general, faculty members attributed greater negative effects to their programs from traditional funding depletion than administrators' responses conveyed.

All three undergraduate insurance and risk management programs pursued alternative funding strategies and resources to alleviate systemic traditional funding diminishment. These funds were donated by interested and engaged stakeholders in the insurance industry, insurance organizations, alumni, and several other insurance-affiliated supporters. The majority of alternative funding is garnered as a direct result of the efforts of insurance and risk management faculty, demanding considerable time and resources dedicated to developing relationships with existing and potential donors. According to these three faculty

members, the time and expertise necessary to engage with alternative funding strategies and resources is potentially the single largest constraint in the development and growth of their undergraduate insurance and risk management degree programs.

Bess and Dee's theoretical model is utilized in understanding policies and practice in higher education institutional organizations (2012). Bess and Dee's *Models of Organization – Environment Relations* theoretical construct was the lens through which each of the three case studies was analyzed and evaluated. This study was designed to explore the efficacy of the utility and applicability of this model to undergraduate insurance and risk management programs in their development of alternative funding strategies and resources. All nine participants were asked about their use and perceived value of theoretical modeling to inform their cultivation of alternative funding strategies and resources. None of the undergraduate insurance and risk management programs in the study currently employed theoretical modeling, but all of the study participants expressed interest at varying degrees.

Data Analysis

According to Patton, "Qualitative analysis transforms data into findings. No formula exists for that transformation. . . . the final destination remains unique for each inquirer" (2002, pg. 432). Analysis of the collected transcript data followed a general inductive approach to the process of evaluating the nine interview transcripts for emerging themes and patterns relating to funding of their insurance and risk management programs. Writing about analysis of qualitative

evaluation data, Thomas proposed that the general inductive approach can produce valid and reliable findings derived in the context of focused evaluation questions. This can be accomplished through repeated detailed readings from raw textual data to discover significant categories and themes that are transparent and defensible (2006).

Participant responses to the research questions led to the formation of various data segment coding categories. Both Traditional Funding and Alternative Funding main categories, each with four sub-codes, emerged from the open-ended interviews. Data derived from commentary about theoretical modeling was less inductive in that the use of theory to inform participants' program development was not considered until the introduction of Bess and Dee's *Models of Organization – Environment Relations* (2012) theoretical construct.

Research Question 1: Traditional Funding Decline

Analyzing the phenomenon of traditional funding diminishment, the transcription data unanimously corroborated the systemic funding decline presented in the review of the literature. In response to the first research question: How have undergraduate insurance and risk management programs been affected by systemic budget constraints and funding declines?, every interviewee responded affirmatively, confirming that their program has substantively been affected in varying degrees. The severity of the impact was noted more by the faculty than by administrators. Faculty comments were more personal and specific, and displayed a substantial commitment to their program, even at a considerable cost in the sacrifice of time, energy, and salary. This does not infer

that department chairs and college deans have less concern for the success of their undergraduate insurance and risk management programs, but considers the reality of administering a myriad of funding demands and satisficing in a manageable context.

Of the four sub-codes that emerged from the data (Affecting Program, Course Offerings, Faculty Engagement, and Enrollment), the most poignant commentary arose regarding faculty engagement. There was an interesting dichotomy between faculty and administrators. The three faculty members expressed concerns that the funding decline has imposed significant constraints on their engagement opportunities. The commentary from the department chairs and college deans did not explicitly disagree with those of the faculty, but did not attribute any significant impact of funding decline on faculty teaching, service, and research engagement. The administrators were very supportive and complimentary about their faculty's effort and engagement in a difficult financial environment. This may be a difference without much of a distinction and is probably a matter of perspective.

When asked about funding diminishment affecting their program or course offerings, most of the respondents claimed little to no effect, although some responses were less definitive than others. There was no reporting of a negative effect of funding diminishment on enrollment; in every program, enrollment had increased. Although this rise in enrollment during shrinking funding may appear counterintuitive, it corresponds to a recognized phenomenon whereby collegiate

enrollment increases during times of economic recession and high unemployment (Levine, 2001).

Research Question 2: Alternative Funding Strategies and Resources

The second research question, and its correlating section in the literature review, pertained to alternative funding strategies and resources designed to mitigate the deleterious effects of the traditional funding diminishment. The data relating to the research question: What alternative public and/or private funding resources are currently being cultivated and utilized by undergraduate insurance and risk management programs?, produced the largest quantity and longest commentary from the interviewees. An analysis of data, directly supported by the literature, indicated the cultivation of alternative funding from insurance industry partners, insurance organizations, and alumni, as expected. Although participant responses identified some alternative funding from non-insurance related sources, no substantive new strategies or resources were revealed.

The majority of alternative funding is raised as a direct result of the personal efforts of insurance and risk management faculty, compounding their stress and pressures as discussed in faculty engagement. Analysis indicates an inverse relationship between increased demands on faculty and their level of engagement. This may be predictive of a long-term difficulty in attracting and recruiting new faculty into this discipline.

Although all participants in each bounded system professed commitment and provided examples of alternative funding strategies and resources, their perspectives and levels of engagement were diverse and unique. Each dean and

department chair was involved in raising support for their undergraduate insurance and risk management program, but the primary responsibility and encumbrance for fundraising weighed most heavily on the faculty members. A common thread, especially among the administrators (deans and chairs) was the value and desire ascribed to funding an endowed position. One of these programs has an endowed faculty named-Chair and the other two programs are building endowments for a named Professorship or Chair. The significance imbued to an endowed named-position is viewed as an attractor of more industry support and program enrollment, and a visible declaration of elevated status and success of the program, department, and college.

Research Question 3: Utilization of Theory

The third research question, What theoretical modeling, if any, has been employed or developed by undergraduate insurance and risk management programs to mitigate their funding deficits?, addresses the intentional use of theory. An analysis of the data unexpectedly revealed that none of the undergraduate insurance and risk management programs utilized theory for fundraising or program development. The faculty participants had not considered the utilization of theory in this application. This may be generalized in many academic departments, but especially in applied disciplines with close relationships to industry. This perspective surfaced in interview questions relating to theory driving practice, or vice versa. Department chairs expressed more consideration for theoretical modeling and college deans voiced even more scrutiny of the significance of theory informing practice. This positional

perspective potentially relates to higher administrators interacting with colleagues and stakeholders at a different esoteric level. Despite the lack of current use of theory to inform program development and fundraising, every participant expressed interest and support, at varying levels, of the use of theoretical modeling in this specific context.

Research Question 4: Efficacy of the Theoretical Model

This research was a novel and unique application of this theoretical model, not only to the mitigation of the crucial issue of funding diminishment, but also to this specialized field of insurance and risk management education, as well as to the generalized arena of program development. As each of the nine participants' interview data were coded and categorized, any alignment with the organizational theories embedded within Bess and Dee's *Models of Organization – Environment Relations* (2012) was explored in order to discover their program's positional relationship with the external environment. Although various coded data segments exhibited alignment with all of the Theoretical Modeling's sub-category organizational theories housed in Bess and Dee's *Models of Organization – Environment Relations* (2012) matrix, contingency theory received the largest number and the longest commentary from all three bounded systems. This may infer that the undergraduate insurance and risk management programs at Alpha University, Beta University, and Delta University all fit into the theoretical construct's Quadrant Two – Symbiotic Relationship Model. This quadrant is at the matrix intersection of a program's Perceived High Choice (perceived degree of freedom to control their environment) and High Determinism (degree of

control environment has over organization). This locus of control, exhibited by both the undergraduate insurance and risk management program and the external stakeholders and donors, is characterized by symbiotic relationships and differentiation, as depicted by contingency theory. Few programs in this sector, undergraduate insurance and risk management, ascribe to the application of a guiding theory. The assignment to a specific quadrant in Bess and Dee's theoretical model may not be clearly demarcated. Data analysis ascertained that when a discrete preponderance of data inferred a prevailing theory, that characterization indicated which of the theoretical model quadrants, if any, within which the program functions. One of the objectives of this study was to explore, not support, the efficacy of this theoretical model. Although this study does not purport Bess and Dee's *Models of Organization – Environment Relations* (2012) theoretical model is an appropriate construct to apply to all internal organization / external environment relationships, it appears that it may have value for consideration in viewing an undergraduate insurance and risk management program's relationship with its external insurance stakeholders and donors in these three bounded systems. Further research is indicated to evaluate its generalizability to other programs.

Implications to Research, Theory, and Practice

This study was designed to contribute to the body of knowledge focusing on the utilization of a theoretical model that may be applicable to the funding and development of undergraduate insurance and risk management degree programs.

Research

The discipline-specific literature included peer-reviewed and anecdotal articles that researched traditional funding decline, alternative funding strategies and resources, and theoretical modeling for guiding program development within the broader context of colleges of business. The literature establishing the systemic decline in traditional funding is broad and extensive. The study presented numerous and specific examples of peer-reviewed and anecdotal articles authenticating this verified phenomenon and its effect on higher education. Since the 1980s, colleges and universities experienced a significant depletion in traditional legislative funding, thereby forcing a change in the sources of their funding (Cejda & Leist, 2006; Doyle & Delaney, 2009; McClendon, Hearn, & Mokher, 2009; Tandberg, 2010). The deterioration of state allocated funding is well documented (Klein, 2012; McPherson & Schapiro, 2003; Newfield, 2010; Stuart, 2011). This created enormous pressure to increase tuition to generate revenue, but that option in public higher education is severely restricted (Kirp & Roberts, 2002; Williams, 2006).

The only resort, other than shuttering campus facilities, required a move to alternative funding strategies and resources. Privatization describes the shift in public higher education appropriations from legislative sources of public funding to other non-traditional funding resources (DeAngelo & Cohen, 2000; Lyall & Sell, 2006; Rhoades & Slaughter, 2006; Wanger, 2004). These alternative funding strategies and resources include developing financial support from

corporate and individual donors, organizations and community partners, and alumni.

Although the body of research relating to traditional and alternative funding is well established, research based on theoretical modeling dedicated to generic program development and fundraising is sparse. Virtually no peer-reviewed studies, either naturalistic inquiry or empirical, were found that related to program development and alternative funding strategies and resources specifically in undergraduate insurance and risk management degree programs and none that focused on theoretical modeling in this field. This paucity of peer-reviewed studies and dissertations indicates a need for research, using both qualitative and quantitative methodologies, specifically on the funding and development of undergraduate insurance and risk management degree programs.

Theory

From a theoretical perspective, this research study searched for any theoretical modeling that has been cultivated or is currently being utilized by undergraduate insurance and risk management programs to mitigate their funding deficits. None of the nine participants in the three bounded systems in this multi-case study were aware of the use of theoretical modeling in this specific arena. Despite the lack of current usage of theory to inform program development and fundraising, every participant expressed interest in the direction and output of this research and was supportive of the use of theoretical modeling in this specific context. In exploring the efficacy of Bess and Dee's *Models of Organization – Environment Relations* (2012), this theoretical construct was evaluated for

contextual appropriateness. Although this study does not propose that this theoretical model is a suitable construct appropriate to all internal organization / external environment relationships, it appears that it may have value for consideration in evaluating an undergraduate insurance and risk management program's relationship with its external insurance stakeholders and donors in these three bounded systems. This study expands the potential for Bess and Dee's *Models of Organization – Environment Relations* (2012) applicability for consideration as a guiding theoretical construct in new and unique areas and applications. As in any theoretical model evaluation, it is necessary to affirm its validity and applicability to practice. Validity and transferability are crucial concepts in naturalistic inquiry research methodology. Although Thomas (2006), analyzing qualitative evaluation data, found validity and reliability in studying focused evaluation questions, most quantitative researchers struggle with the acceptance of non-empirical measurement studies. However, Walther, Sochacka, and Kellam propose that engineering education research could incorporate interpretive methods and demonstrate research quality and validity (2013).

Practice

Bess and Dee's *Models of Organization – Environment Relations* (2012) theoretical model is utilized in understanding policies and practice in higher education institutional organizations. According to Bess and Dee, fostering mutually beneficial relationships with interested entities in the environment may lead to the effective expansion of alternative funding resources, such as endowments and corporate partnerships (2012). The calculated development of

external relationships that may lead to funding from insurance industry and organization partners could build insurance and risk management programs' perceived strategic choice, thereby allowing a strengthened position. The practical application of this theoretical model within this specific academic field could potentially be developed from this research, with utility especially among less successful and less well-funded undergraduate insurance and risk management programs. As a researcher, educator, and advocate for insurance and risk management programs in higher education, I strive to attract students into my program and I think that a thorough understanding and efficacious application of Bess and Dee's *Models of Organization – Environment Relations* (2012) theoretical model will help my program entice alternative funding sponsors. I am confident that other programs can increase their level of success through the utilization of this theoretical model.

This study was designed to explore the utility and applicability of this model to undergraduate insurance and risk management programs in their development of strategies and resources for alternative funding. This was a new and unique application of this model, not only to the critical issue of funding diminishment but also to this specialized field of insurance and risk management education, as well as to the generalized arena of program development. I propose that this theoretical model has utility for many other disciplines in higher education that may be struggling with traditional funding diminishment and should be considered to inform the implementation of an alternative funding development program.

Study Limitations

There were two substantial delimitations that set the boundaries of this study. The first was the small population of the three bounded undergraduate insurance and risk management bachelor degree programs, which is a significant delimitation of case study research. The second substantial delimitation was the narrow scope of the study. It explored the efficacy of a theoretical model by focusing on alternative funding strategies and resources that were used for the development of these specific programs.

A limiting assumption was that the interview participants responded truthfully, without guile or deflection. My role of researcher in the study presented a potential bias due to the fact that I am employed in a similar role within the same discipline as the faculty interviewees. Therefore, it was essential to maintain perspective and objectivity. I have a collegial relationship with the three faculty through our mutual association in Gamma Iota Sigma. It was imperative that I exerted self-diligence to protect against any undue pressure or influence on the participants.

Further Research Considerations

Exploring the efficacy of Bess and Dee's *Models of Organization – Environment Relations* (2012) theoretical construct's utility to evaluate alternative strategies and resources utilized in three bounded systems in this study is neither confirmed nor inconclusive. As such, further research in this specific arena is indicated. The creation of an empirical study that incorporates the findings of this research into a survey could be undertaken. This survey could include various

open-ended options and could be distributed to all 73 colleges and universities identified nationally with undergraduate bachelor degree programs focused on insurance and risk management and/or actuarial science. Given that this study's participant responses are indicative of an interest in the employment of theoretical modeling in program development funding, an empirical study encompassing all or most of the programs nationally could result in a significant multifarious impact on this specific academic discipline. A second continuation of this research could be modifying the selection criteria to include private and for-profit institution programs, 2-year or certificate insurance programs, or M.B.A. and Ph.D. insurance and risk management programs.

Summary

This qualitative study was designed to identify the impact of traditional legislative funding diminishment in higher education and, specifically, on three undergraduate insurance and risk management programs. The literature corroborated the systemic decline in traditional funding since the 1980s. Interview participants confirmed the effects of the funding decline, with the most significant impact being on faculty engagement.

The study participants identified their alternative funding strategies and the collected data were categorized by the source of funds. The majority of alternative funding is received as a direct result of the personal efforts of insurance and risk management faculty to build mutually beneficial relationships with external donors. Insurance industry partners, insurance organizations, and alumni were the predominate contributors to the programs.

The utilization of theory to inform the development of these three programs was explored. An analysis of the interview data unexpectedly discovered that none of the undergraduate insurance and risk management programs employed theory for program development or fundraising. Although theory was not utilized to inform funding replacement or program development, every study participant expressed interest and support for the use of theoretical modeling in this specific environment.

Finally, the study explored the efficacy of a theoretical construct, Bess and Dee's *Models of Organization – Environment Relations* (2012), to evaluate its utility to reveal, from interview data, any association with organizational theory in the insurance and risk management program's cultivation of alternative funding strategies and resources. An analysis of the majority of collected data indicated an alignment with contingency theory in all three programs. Contingency theory posits that there are numerous viable options and considerations that can lead to an optimal solution to an organizational problem, and the best organizational configuration is impacted by the external environment within which it operates. This would place all three programs in Bess and Dee's *Models of Organization – Environment Relations* (2012) Quadrant Two – Symbiotic Relationship Model where the program's perceived degree of freedom to control the environment exhibits a Perceived High Choice and the degree of control the external insurance environment has over the program displays a High Determinism. This strong mutually beneficial relationship is a predictor of success for both the external

insurance stakeholders and the undergraduate insurance and risk management program.

Although I knew of the three undergraduate insurance and risk management programs and faculty before this study began, I was unfamiliar with their program specifics and the department chairs and college deans. As an observer, I recognized the distinctiveness of each program and my impression was that each was successful. Stepping into my researcher role, before data collection and analysis, my impression was that each program was unique and their path to success was quite different. I suspected that contingency theory was employed and was surprised that none utilized theoretical modeling. As the data were analyzed, and contingency theory emerged as the predominate theme, the efficacy of Bess and Dee's *Models of Organization – Environment Relations* (2012) became more likely. At the conclusion of this study, I am encouraged in the applicability of this model and I will continue to explore its utility to a larger population.

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APPENDICES

Appendix A
Informed Consent

ADULT CONSENT FORM
OKLAHOMA STATE UNIVERSITY

PROJECT TITLE: ALTERNATIVE FUNDING STRATEGIES AND RESOURCES FOR THE DEVELOPMENT OF UNDERGRADUATE INSURANCE AND RISK MANAGEMENT PROGRAMS: EXPLORING THE EFFICACY OF A THEORETICAL MODEL

INVESTIGATOR: Allen George Arnold, B.B.A., M.B.A., M.Ed.

PURPOSE: The intent of this study is to discover any alternative public and private funding resources being utilized or considered by current Insurance and Risk Management undergraduate degree programs and to explore the efficacy of a theoretical model's [Bess and Dee's Models of Organization – Environment Relations (2012)] utilization in the alleviation of the perceived effects of funding diminishment due to the systemic decline in legislative funding of undergraduate Insurance and Risk Management degree programs.

PROCEDURES: You will participate in an interview, for about an hour and at a time and place of your convenience, about your program and your relationships with the insurance industry. The interview will be recorded, transcribed, and provided to you for member-checking review and additional comments. Anonymity will be preserved through the use of fictitious names. The consent forms will be stored in separate locked file cabinet. Data will be kept on a private password protected computer accessed by the primary investigator for five years, whereupon the data file will be erased and paperwork will be shredded.

RISKS OF PARTICIPATION: There are no known risks associated with this project which are greater than those ordinarily encountered in daily life.

BENEFITS OF PARTICIPATION: There may be benefits to the body of knowledge and to practical application regarding the use of a theoretical model relating to alternative funding strategies and resources for the development of undergraduate Insurance and Risk Management programs.

CONFIDENTIALITY: The records of this study will be kept private. Any written results will discuss group findings and will not include information that will identify you or your institution. Research records will be stored securely and only researchers and individuals responsible for research oversight will have access to the records. It is possible that the consent process and data collection will be observed by research oversight staff responsible for safeguarding the rights and wellbeing of people who participate in research.

COMPENSATION: No compensation is available for participation in this research study.

CONTACTS : You may contact any of the researchers at the following addresses and phone numbers, should you desire to discuss your participation in the study and/or request information about the results of the study: Allen Arnold, 405.919.2426, allen.arnold@okstate.edu; Dr. Stephen Wanger, 405.744.3982, steve.wanger@okstate.edu.

If you have questions about your rights as a research volunteer, you may contact Dr. Shelia Kennison, IRB Chair, 219 Cordell North, Stillwater, OK 74078, 405-744-3377 or irb@okstate.edu

PARTICIPANT RIGHTS: I understand that my participation is voluntary, that there is no penalty for refusal to participate, and that I am free to withdraw my consent and participation in this project at any time, without penalty.

CONSENT DOCUMENTATION: I have been fully informed about the procedures listed here. I am aware of what I will be asked to do and of the benefits of my participation. I also understand the following statement: I affirm that I am 18 years of age or older.

I have read and fully understand this consent form. I sign it freely and voluntarily. A copy of this form will be given to me. I hereby give permission for my participation in this study.

_____ _____

Signature of Participant Date

I certify that I have personally explained this document before requesting that the participant sign it.

_____ _____

Signature of Researcher Date

Oklahoma State University Institutional Review Board

Date:	Friday, July 12, 2013
IRB Application No	ED13126
Proposal Title:	Alternative Funding Strategies and Resources for the Development of Undergraduate Insurance and Risk Management Programs: Exploring the Efficacy of a Theoretical Model
Reviewed and Processed as:	Exempt

Status Recommended by Reviewer(s): Approved Protocol Expires: 7/11/2016

Principal Investigator(s):

Allen Arnold
100 N. University Dr. Box 101
Edmond, OK 73034

Stephen P. Wanger
309 Willard
Stillwater, OK 74078

The IRB application referenced above has been approved. It is the judgment of the reviewers that the rights and welfare of individuals who may be asked to participate in this study will be respected, and that the research will be conducted in a manner consistent with the IRB requirements as outlined in section 45 CFR 46.

☒ The final versions of any printed recruitment, consent and assent documents bearing the IRB approval stamp are attached to this letter. These are the versions that must be used during the study.

As Principal Investigator, it is your responsibility to do the following:

1. Conduct this study exactly as it has been approved. Any modifications to the research protocol must be submitted with the appropriate signatures for IRB approval. Protocol modifications requiring approval may include changes to the title, PI, advisor, funding status or sponsor, subject population composition or size, recruitment, inclusion/exclusion criteria, research site, research procedures and consent/assent process or forms.
2. Submit a request for continuation if the study extends beyond the approval period of one calendar year. This continuation must receive IRB review and approval before the research can continue.
3. Report any adverse events to the IRB Chair promptly. Adverse events are those which are unanticipated and impact the subjects during the course of this research; and
4. Notify the IRB office in writing when your research project is complete.

Please note that approved protocols are subject to monitoring by the IRB and that the IRB office has the authority to inspect research records associated with this protocol at any time. If you have questions about the IRB procedures or need any assistance from the Board, please contact Dawnett Watkins 219 Cordell North (phone: 405-744-5700, dawnett.watkins@okstate.edu).

Sincerely,

Shelia N. Kennison

Shelia Kennison, Chair
Institutional Review Board

Solicitation Protocol

E-mail Solicitation:

Dear Participant,

I am conducting research for my dissertation related to undergraduate Insurance and Risk Management degree programs and the theories, strategies, and resources that are utilized for the development of alternative funding. The focus of my dissertation is to explore the efficacy of a theoretical construct, Bess and Dee's *Models of Organization – Environment Relations* (2012) which incorporates five organizational theories, to explain the relationship of an undergraduate Insurance and Risk Management degree program and funding from the external environment. With the critical issue of systemic decline in traditional funding, developing strategies and resources for alternative funding is crucial for many programs' survival.

I would like your permission to visit you to discuss, for about an hour and at a time and place of your convenience, your program and your relationships with the insurance industry. I know your experiences and perspectives will be very valuable to my research and to our academic and industry colleagues. Please allow the time to share your program's achievements and successes with me.

Thank you for your consideration,

Allen Arnold
Department of Finance
College of Business
University of Central Oklahoma
100 N. University Dr., Box 101
Edmond, OK 73034
405.974.2171 office
405.919.2426 cell
aarnold1@uco.edu

ADULT CONSENT FORM

OKLAHOMA STATE UNIVERSITY

PROJECT TITLE: ALTERNATIVE FUNDING STRATEGIES AND RESOURCES FOR THE DEVELOPMENT OF UNDERGRADUATE INSURANCE AND RISK MANAGEMENT PROGRAMS: EXPLORING THE EFFICACY OF A THEORETICAL MODEL

INVESTIGATOR: Allen George Arnold, B.B.A., M.B.A., M.Ed.

PURPOSE: The intent of this study is to discover any alternative public and private funding resources being utilized or considered by current Insurance and Risk Management undergraduate degree programs and to explore the efficacy of a theoretical model's [Bess and Dee's Models of Organization – Environment Relations (2012)] utilization in the alleviation of the perceived effects of funding diminishment due to the systemic decline in legislative funding of undergraduate Insurance and Risk Management degree programs.

PROCEDURES: You will participate in an interview, for about an hour and at a time and place of your convenience, about your program and your relationships with the insurance industry. The interview will be recorded, transcribed, and provided to you for member-checking review and additional comments. Anonymity will be preserved through the use of fictitious names. The consent forms will be stored in separate locked file cabinet. Data will be kept on a private password protected computer accessed by the primary investigator for five years, whereupon the data file will be erased and paperwork will be shredded.

RISKS OF PARTICIPATION: There are no known risks associated with this project which are greater than those ordinarily encountered in daily life.

BENEFITS OF PARTICIPATION: There may be benefits to the body of knowledge and to practical application regarding the use of a theoretical model relating to alternative funding strategies and resources for the development of undergraduate Insurance and Risk Management programs.

CONFIDENTIALITY: The records of this study will be kept private. Any written results will discuss group findings and will not include information that will identify you or your institution. Research records will be stored securely and only researchers and individuals responsible for research oversight will have access to the records. It is possible that the consent process and data collection will be observed by research oversight staff responsible for safeguarding the rights and wellbeing of people who participate in research.

COMPENSATION: No compensation is available for participation in this research study.

CONTACTS : You may contact any of the researchers at the following addresses and phone numbers, should you desire to discuss your participation in the study and/or request information about the results of the study: Allen Arnold, 405.919.2426, allen.arnold@okstate.edu; Dr. Stephen Wanger, 405.744.3982, steve.wanger@okstate.edu.

If you have questions about your rights as a research volunteer, you may contact Dr. Shelia Kennison, IRB Chair, 219 Cordell North, Stillwater, OK 74078, 405-744-3377 or irb@okstate.edu

PARTICIPANT RIGHTS: I understand that my participation is voluntary, that there is no penalty for refusal to participate, and that I am free to withdraw my consent and participation in this project at any time, without penalty.

CONSENT DOCUMENTATION: I have been fully informed about the procedures listed here. I am aware of what I will be asked to do and of the benefits of my participation. I also understand the following statement: I affirm that I am 18 years of age or older.

I have read and fully understand this consent form. I sign it freely and voluntarily. A copy of this form will be given to me. I hereby give permission for my participation in this study.

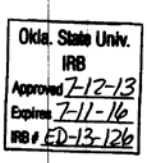
_____ _____

Signature of Participant Date

I certify that I have personally explained this document before requesting that the participant sign it.

_____ _____

Signature of Researcher Date



Appendix B
Solicitation Protocol

E-mail Solicitation:
Dear Participant,
I am conducting research for my dissertation related to undergraduate Insurance and Risk Management degree programs and the theories, strategies, and resources that are utilized for the development of alternative funding. The focus of my dissertation is explore the efficacy of a theoretical construct, Bess and Dee's Models of Organization – Environment *Relations* (2012) which incorporates five organizational theories, to explain the relationship of an undergraduate Insurance and Risk Management degree program and funding from the external environment. With the critical issue of systemic decline in traditional funding, developing strategies and resources for alternative funding is crucial for many programs' survival.
I would like your permission to visit you to discuss, for about an hour and at a time and place of your convenience, your program and your relationships with the insurance industry. I know your experiences and perspectives will be very valuable to my research and to our academic and industry colleagues. Please allow the time to share your program's achievements and successes with me.
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Appendix C

Interview Protocol

Interviewer Instructions:

1. Greet the interviewee and thank them for participating in this study. Let them know that the interview process should take about an hour of their time.
2. Explain that the interview will be audio-recorded for accuracy, the digital recording will be erased after transcription, and their participation will be anonymous.
3. Review the Informed Consent before obtaining their signature.
4. Notify the interviewee that the transcript of the interview will be sent and explain member-checking for accuracy and authenticity.
5. Ask their permission to take notes during the interview and convey that they may see them if they wish.
6. Ask if they have any questions or concerns before starting the audio recording. Encourage them to be open and engaged during the interview process.

Interview Questions:

1. How has your undergraduate Insurance and Risk Management program been affected by systemic budget constraints and funding declines?

   Suggested inquiry probes and transition prompts:

   A. Has your program been affected by funding diminishment?

   B. What are the effects of any funding shortages?

   C. How has funding, or lack thereof, affected your program, course offerings, faculty teaching, service, research, student enrollment?

2. What alternative public and/or private funding resources are currently being cultivated and utilized by your undergraduate Insurance and Risk Management program?

Suggested inquiry probes and transition prompts:

A. Has funding replacement been difficult or problematic? How so?

B. Has alternative funding replaced the entire deficit in traditional funding?

C. Have you shared alternative funding resources or strategies with other programs?

D. What information or advice would you give to other programs that may be struggling?

3. What information derived from the exploration of the efficacy of a theoretical model can be utilized to inform an undergraduate insurance and risk management program's mitigation of systemic funding decline?

Suggested inquiry probes and transition prompts:

A. Do you think that theory drives practice or vice versa? Why?

B. Do you think that a program's perceived strategic choice or the external industry environment has greater control in a relationship?

4. What theoretical modeling, if any, has been employed or developed by your undergraduate Insurance and Risk Management program to mitigate their funding deficits?

Suggested inquiry probes and transition prompts:

A. Are you aware of any theoretical modeling being utilized by other programs?

B. Would you be interested in learning about any theoretical modeling being utilized by other programs?

C. Would you choose to increase your program's perceived strategic choice over the external industry environment?

D. Would you like to receive a copy of this study after it is completed?

Appendix D

Carnegie Classification

Carnegie Classification	Alpha University	Beta University	Delta University
	South-Central state	Midwest state	South-Central state
Level	4-year or above	4-year or above	4-year or above
Control	Public	Public	Public
Student Population	35,003	20,371	11,781
Undergraduate Instructional Program	Bal/HGC	Prof+A&S/SGC	Prof+A&S/SGC
Graduate Instructional Program	CompDoc/NMedVet	Postbac-Comp	S-Doc
Enrollment Profile	HU	HU	HU
Undergraduate Profile	MFT4/S/HTI	FT4/S/HTI	FT4/S/LTI
Size and Setting	L4/NR	L4/R	M4/R
Basic	RU/H	Master's L	Master's L
Elective Classification		Community Engagement	
	Balanced arts & sciences/professions, high graduate coexistence	Professions plus arts & sciences, some graduate coexistence	Professions plus arts & sciences, some graduate coexistence
	Comprehensive doctoral (no medical/veterinary	Post-baccalaureate comprehensive	Single doctoral (other field)
	High undergraduate	High undergraduate	High undergraduate
	Medium full-time four-year, selective. Higher transfer-in	Full-time four-year, selective. Higher transfer-in	Full-time four-year, selective. Lower transfer-in
	Large four-year, primarily nonresidential	Large four-year, primarily residential	Large four-year, primarily residential
	Research Universities (high research activity)	Master's Colleges and Universities (larger programs)	Master's Colleges and Universities (larger programs)
		Curricular Engagement and Outreach and Partnerships	
Similar programs	UT-Arlington, University of Memphis	SUNY College, Buffalo	none

VITA

Allen George Arnold

Candidate for the Degree of

Doctor of Philosophy

ALTERNATIVE FUNDING STRATEGIES AND RESOURCES FOR THE DEVELOPMENT OF UNDERGRADUATE INSURANCE AND RISK MANAGEMENT PROGRAMS: EXPLORING THE EFFICACY OF A THEORETICAL MODEL

Educational Leadership and Policy Studies

Completed the requirements for the Doctor of Philosophy in Educational Leadership and Policy Studies at Oklahoma State University, Stillwater, Oklahoma in August, 2014.

Completed the requirements for the Master of Education in Adult Education at the University of Central Oklahoma, Edmond, Oklahoma in 2005.

Completed the requirements for the Master of Business Administration, Emphasis in Finance, at the University of Central Oklahoma, Edmond, Oklahoma in 2003.

Completed the requirements for the Bachelor of Business Administration, Major in Finance, at the University of Central Oklahoma, Edmond, Oklahoma in 2001.

University of Central Oklahoma, College of Business, Finance Department: Instructor in Finance and Insurance

Webster University, Tinker Air Force Base, MBA Adjunct Instructor

Oklahoma City University, MBA Adjunct Instructor