CHAPTER 15

Managing Change in Change-Resistant Universities

Rebecca M. Blank

INTRODUCTION

Higher education is in a time of substantial change. For a variety of reasons, universities tend to be institutions that change slowly. Motivating university faculty and staff to adopt new ways of operating is a challenging but important part of any leader's job in higher education.

In this paper, I focus particularly on the flagship high-reputation, large research institutions, many of which have been in existence for well over 100 years. I refer to these as "older" or "traditional" universities throughout this paper. These are schools that have a primary business model of offering residential education on their campus to large numbers of undergraduates and graduate students. I am particularly concerned with public universities, in part because these are the places that educate and train the most students, at the undergraduate, professional and PhD level.

THE CHANGES FACING HIGHER EDUCATION

The higher education market is facing a number of changes that are disrupting and challenging older research universities. For instance, new technologies have vastly expanded the ability to deliver educational services to people at almost any place and any time; this is a potential challenge to those whose model of education is focused on residential campuses. These technologies have also changed the tools available to teachers in more traditional classrooms, allowing them to engage students in more active learning.

Meanwhile, competition among higher education institutions is also increasing. A growing number of high-quality schools in nations around the world are courting international students. American and British universities that have dominated the world market for higher education can no longer assume that they will attract the best and brightest from other countries. The growth in higher-income families with substantial resources to invest in their children has meant a growing group of potential students who are shopping nationally and (increasingly) globally for the best educational experience. That means schools have to compete harder to bring in top students.

At the same time, the demands of millennial students are often different than those of previous generations. Having grown up with a constant flow of information — much of it packaged as entertainment — they expect teachers to teach more interactively and with more visual content. They seek out information from multiple sources, and are often unfamiliar with traditional ideas about which sources have more credibility.

In many countries, including the United States, a decade of slower growth and higher unemployment has made young adults more instrumental in what they expect college to provide. They are more concerned with internships, career opportunities and the value of education to their future job choices.

As the world of teaching and students is shifting, the world of research and scientific knowledge accumulation continues to move at an extremely fast pace. In some fields, scientists are sharing results in real time, thereby speeding up the knowledge transmission and collaboration between previously siloed research efforts. In other fields, recent scientific advances (such as genome sequencing abilities or the technological ability to handle very big datasets) have opened up entirely new fields.

These changes create both opportunities and stresses within long-established research universities. Changes in the external environment require nimbleness on the part of an institution. To take advantage of the new opportunities that change provides, and to avoid losing competitive position in the midst of a changing environment, universities are reassessing their business models. This can be very difficult in older and more traditional university settings.

UNIVERSITY RESISTANCE TO CHANGE

One of the strengths of universities has been their long-term stability. Universities are among the oldest institutions in many communities, with far more continuity than most private-sector firms. This stability is a source of strength and has led to internal cultures within these institutions that last over decades (or even centuries) and are important aspects of the institutions' identity and reputation. But this stability also creates barriers to change.

Something I have long mused about is how institutions that are filled with highly creative and innovative individuals — people selected for their intellectual curiosity and fearless pursuit of new ideas — can be so resistant to change. Let me speculate on at least three reasons.

First, being creative is hard work. Anybody who has spent time in a job that requires creativity, seeking to solve difficult problems, knows how challenging this type of intellectual work can be. Research professors are constantly facing pressure to generate new research ideas and new ways of looking at the world. This requires many faculty members to "live in their heads" much more than people in other jobs. And the best way to do this effectively is to live in an external environment that is entirely predictable. The less one has to worry about a new office, a new course to teach, a new staff member to deal with or a new set of demands from the administration, the more time one has to actually work on and think about the big questions in one's research. This means that many professors are resistant to changes in their environment. Such changes take mental time and energy away from their work. Hence the ironic result that I have observed as a university leader: many of my most creative and innovative faculty are extremely resistant to institutional change.

Second, the long-term stability and the cultural identity that many universities exhibit can lead individuals in those institutions to mistake tradition for organizational excellence. More than once, when proposing an operational change, I have heard a response from faculty or staff that essentially says: "We've always done it this way. And, because our institution is so highly regarded, this must be the right way to do it." Faculty often are fiercely proud of the reputations of their institution. This leads them to assume that excellence depends upon the current business and organization model, and to worry that any change might lower that reputation. In contrast, many university leaders will tell you that their universities manage to achieve excellence despite their quite dysfunctional organizational structures.

Third, these institutions are typically very decentralized, which means that faculty and staff are often quite tribal in their loyalty to their department or their school or college. Big research and teaching universities have evolved over time, adding new disciplines or new colleges as new fields of knowledge emerge. Different departments and colleges are intellectually diverse, with very different markets for students and research results. As a result, most universities have allowed strong local governance and decision-making. Hence, the faculty and staff within disciplinarily-defined sub-units of the university often have a separate sense of identity from the overall institution, sometimes with their own unique organizational structure. Efforts to impose changes that affect the entire institution (common HR systems, integrated IT systems or involvement with on-line teaching) are often vociferously resisted as "okay for everybody else, but not for my unit".

DIFFICULTIES IN IMPLEMENTING CHANGE
IN PUBLIC UNIVERSITIES

The difficulty of motivating and implementing operational changes is even more acute in public universities. Public universities suffer from additional institutional barriers that can make nimbleness and creative, forward-thinking leadership difficult to achieve.

First, public universities have multiple stakeholders outside the university that can influence or directly control university actions. State universities are typically regulated by legislatures, which often impose bureaucratic rules that govern hiring and pay, procurement and facilities changes, or financial processes and systems. Publicly elected officials often impose pricing rules on tuition or rules about which students have priority for admission. All of these restrictions reduce the ability of university leadership to change the operational model without substantial consultation or (in some cases) actual legislative changes.

Second, all of this consultation happens in the midst of constant public attention and commentary. Public institutions often are required to operate with great transparency. This includes strong faculty governance that requires extensive on-campus discussion before any decision is reached, as well as off-campus attention from the public media and elected officials. This gives those opposed to change more opportunity to organize and block proposed new programs or organizational restructuring.

Third, public universities typically are run by publicly-appointed boards. At times, these boards may include individuals with limited knowledge of the higher-education environment, or individuals who may have personal or political agendas that do not always mesh with the agendas of university leadership. In the United States there have been a number of public conflicts between university boards and university leadership in recent years, often leading to the departure of the university's president or chancellor. Some of these occurred because the board wanted changes that the president did not support; others occurred because the board opposed changes the president proposed.

Fourth, the large size and diversity of these universities adds to the complexity of their governance. For instance, the University of Wisconsin-Madison includes the health science schools (medicine, nursing and pharmacy); the college of agriculture and the schools that emerged from it over time (agriculture and life sciences, veterinary medicine and human ecology); the professional schools (engineering, law, business and education); as well as an extensive college of liberal arts. These schools were established by the state, and the university is committed to maintaining them, even though there are wide differences in the financial viability of these different schools. The resulting diversity in business models, operational culture and intellectual

approaches makes implementing changes across the university cumbersome and slow, and means that special agreements for any proposed change often have to occur in at least some units.

Finally, in more recent years the challenges to public universities have become even greater due to changes in the larger economic and political environments in which they operate. Recession, followed by slower economic growth, has meant substantial cuts in public funding for these institutions in many cases. The rise of more populist politics has been associated with greater suspicion of public institutions, particularly elite public institutions such as universities. The rise of deep partisan divides in US politics has led both parties to use universities as political pawns in their arguments. This ranges from those on the left who campaign for "free college", without typically having a plan to provide the funds necessary to support their proposals, to those on the right, who attack particular types of scientific inquiry.

Dealing with these political, budgetary and decision-making problems takes a great deal of time and attention on the part of leaders in public institutions. These problems are often highlighted on the front page of the local newspaper. They demand immediate responses and take energy, time and capacity away from efforts to respond to the changing higher-education landscape. It can be difficult to find the dollars or create the institutional desire to invest in changes in how education is delivered or to deliver education to new groups of students. Yet, the changes confronting higher education demand a response from any institution that wants to retain its excellence and competitiveness.

MAKING CHANGE HAPPEN

There are many ways in which the changing external environment might force higher-education institutions to change. For some, this will mean attracting more students in a world where demographic shifts and greater competition may be reducing traditional applications. This could mean diversifying away from these institutions' historical business model of residential education by offering more on-line education or collaborating with institutions that provide and market distance learning. It could mean establishing satellite campuses to reach more students and to build reputation in other parts of the country or the globe.

In many cases, these educational changes will require organizational changes. This could mean eliminating or combining smaller departments or schools that are no longer financially viable or that are having difficulty attracting and placing students. It could mean greater centralization of IT resources to assure central control over IT security. Or it could mean streamlining or centralizing services to assure greater cost controls or more uniform quality.

For some, the major reason for change may be to create new revenue sources to offset declining public funding. This can mean increasing admissions or changing tuition models. It may mean training deans and department heads to be more effective fund-raisers. It may mean offering expanded degree opportunities through professional masters, certificate or licensing courses, either on campus or online.

How do older universities, with all of their change-resistant institutional structures and individuals, react more nimbly to their evolving external environment to take advantage of the opportunities or meet the challenges that these changes create? There are no simple answers to this, but at least three things are necessary to engage more traditional higher-education institutions in ways that will motivate change.

Communication

Communication is key, both internal and external. Internally, university leaders need to make the case for change, communicating the ways in which the environment is changing and the risks of continuing to do business as usual. Identifying a few respected faculty from across the institution to help make this argument is important, so that champions for change are present in the schools, colleges and departments that will be affected. The budgetary problems that have hit public universities in the past decade provide a particularly salient opportunity to make this case for change. As state dollars become more restricted, the need to find new ways to rethink business models and generate revenue has become apparent to more and more stakeholders.

Communication with outside stakeholders is equally important. Political leaders and alumni need to hear the same messages about the need for change. It may be important to show evidence of the success that other universities have had with these strategies. In some cases, institutional constraints imposed by the Board or by the legislature may need to be modified.

In all cases, the argument for change has to be placed in the midst of a larger strategic vision for the university. Stakeholders have to know that university leaders understand the reputation and value of the university and that proposed changes are designed to strengthen the institution through greater access to more students, greater reputation and increased revenues, all of which can be invested not only in new programs but also in strengthening and supporting the traditional research and education mission of these schools.

Implement Strategically

Strategically choosing where changes are first implemented is highly important. There will be plenty of sceptics and resistance to any new program or

reorganization, so it is important to demonstrate that a proposed change can be successfully implemented and will deliver benefits (more revenue, more students, greater visibility, etc) as promised. Starting small may be more effective than trying to implement large changes across the whole university. This means identifying departments or schools where there are strong champions for change and/or opportunities to take advantage of change more quickly. Once some places in the universities have implemented changes, this gives leaders the ammunition they need to approach other more resistant parts of the institution and push them to adopt similar changes as well.

Create Incentives

It is important to set up the right incentives for change. Changes involve costs. Faculty and staff have to learn new ways of doing business; more students require a larger infrastructure to serve them, etc. Anticipating those costs and making them palatable is important.

For example, if a change will require more teaching resources, fund and hire additional instructors up front, so a department knows they will have the resources to serve more students. If a change requires staff to operate in a different way, provide some sort of bonus to those who acquire the training early. If a new program is being launched in order to bring more resources into the university, make some up-front commitments about where those resources will be spent, to assure faculty and staff that they will benefit from the new dollars and to make sure that faculty and staff are invested in the success of the new program.

The financial incentives faced by deans and department chairs need to reinforce the messages from leadership about new ways of doing business. This often means sharing any new revenue directly with the unit that produces it. And those units that implement changes early and well need to be recognized and applauded.

An Example

Let me give one example from the University of Wisconsin-Madison (UW). Several years ago, we were looking for ways to deal with state budget cuts. One way to increase our student enrolments and our tuition dollars was to improve and expand our summer semester offerings. While UW had a carefully planned curriculum during fall and spring semesters, very few courses were taught in the summer and there was no strategy about which courses would be offered. Whoever wanted to teach was allowed to, if the department had funds to pay them. As a result there were lots of small, specialized classes taught in the summer, with no overall coherence to the curricular offerings.

Our Dean of Continuing Studies took on the leadership responsibility to make changes. He worked with the other deans and with faculty leadership to oversee a process that identified courses that we needed to teach in the summer, such as high-demand classes that students needed to fulfil distribution requirements. He established rules about how summer semester classes should be selected. He proposed a funding model that would return a substantial share of any new summer semester revenue to the schools and colleges. He worked with a marketing group to put together a campaign to market the value of taking summer semester courses to our students, as well as to students outside UW who might want to be in Madison for the summer. He also worked to identify courses that could be offered on-line in the summer, asked for and received funding to develop these courses and identified faculty who would create and lead these on-line offerings. This has further expanded the reach of the summer program beyond those students living in Madison for the summer.

While the impetus to make this change was generated by a need to increase tuition revenue, the value of an expanded summer semester went far beyond this and it was important for faculty and staff to understand that the expanded summer semester could improve our educational reputation and performance. It offers an opportunity for students to complete distribution requirements or to take classes in the summer so that they can be away from campus on study abroad or internship programs in another semester. It is cheaper to take a summer class in order to complete a degree on time than it is to stay for a full additional semester. As a result, we hoped this effort would increase our four-year graduation rate and reduce student debt. The summer semester also allows us to pull in summer-only students, expanding our educational outreach and connections. As we moved forward, I and other campus leaders talked with every on-campus group that we met with about the need and the value of expanding summer semester.

In part because of the promise of new revenues, the deans became strong partners in this effort and pushed their departments to participate. In the first summer, we offered 71 new courses, increased undergraduate summer student enrolments by 15% and summer revenues by 21%. Our established target is to increase revenues by at least 10% per year for five years. As we head into the second expanded summer term, we are well on target to meet this year's goal. Departments that were more reluctant to expand their offerings in the first summer are now active supporters of this effort, as they see the success (and new revenues) attained by departments that offered summer classes with strong enrolments.

Our successful launch of expanded summer terms was due to many things, including the financial incentives that brought the deans into partnership, the communication from top leaders about the educational value of this

effort, and excellent planning and leadership by one of our best deans. As the program has shown success, it has generated more interest and involvement.

CONCLUSION

Higher education is in a time of enormous change. While older, high-reputation universities may be less affected by these changes or feel their impacts more slowly than other institutions, virtually all universities are now engaged in efforts to adapt and change as the market, the finances and the technologies of higher education evolve. Particularly for large and complex universities, with a strong sense of their past and their reputation, these changes can be difficult and face both internal and external resistance. Providing the vision and the management skill to move such changes forward is a key part of the job for leaders in these organizations.

When I was hired, the Chief of the UW Police Force told me the following story. About 10 years ago, several of her senior leaders had come up with an excellent idea about how to reorganize their operations to serve campus more effectively. She discussed this with some of her colleagues at a meeting of Big 10 schools and all of them were highly complementary about the creativity and promise of this suggestion. The changes proposed had enough campus implications that both the staff and faculty governance groups felt they needed to study and debate the proposal. The initial reaction by these groups was negative, so the issue got reworked multiple times. It was finally seven years later when these changes were implemented. By that time, UW was the last school in the Big 10 to makes this change. In short, we went from being the creative leader to the slow follower. That isn't a story any university leader can afford to repeat on their campus.