Breaking Out of the Status Quo: Creating a Culture of Innovation in Higher Ed

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By focusing on building out current initiatives and creating efficiencies, all while maintaining an eye on future trends, institutions can build a long-term culture of continuous improvement.*Universities are commonly perceived at the apex of*

innovation—yet as an industry, higher education is notoriously slow to implement new ideas, and is characterized as being averse to change in general. In this interview, Peter Stokes and Phil Stzralka discuss common obstacles to implementing innovative practices in higher education, and outline strategies for fostering a culture of continuous improvement on campus.

The EvoLLLution (Evo): Why do higher education institutions and leaders tend to adhere so firmly to the industry status quo?

Peter Stokes (Stokes): Higher education is one of the oldest areas of organized human activity, going back hundreds, if not thousands, of years. As an industry, it has very deep traditions and a unique governance model, which means that it is often slow to change. That can be a positive, because it tends to avoid chasing after fads, but it can also have negative implications, chief among those being a reluctance towards innovation.

If we look at the last 75 years, we see a rise and fall in higher education as an industry. After the Second World War, higher ed went through a period of tremendous expansion and increased enrollments. Over the last 20 years, however, that boom period has started to wane: Between 2001 and 2008 we experienced two economic declines, the most recent of which led to a "birth dearth." This will result in a significant decline in college-ready student populations from 2025 to 2030. So, while many folks would still like to believe that the boom times of the 1960s or 1970s will come back, the reality is that in many geographies we're looking at a shrinking market. While that's difficult for many in higher education to come to terms with, it means that change is inevitable.

Phil Strzalka (Strzalka): Any organization that is trying to achieve sustainable and disruptive change is going to require alignment throughout the institution. It needs leaders who are willing to set new directions, make decisions, and allocate limited resources. Finally, the leadership team must be willing and able to implement the change. That's a difficult thing to do within the cultural environment and organizational structures at most higher education institutions.

Many higher education institutions operate within a siloed organizational structure. As a result, administrators tend to face a large number of competing priorities that all need to be addressed with limited resources. Organization-wide disruptive change initiatives often get pushed aside. From a governance perspective, higher education leaders seeking to effect change need to

understand that siloed structure, and to develop strategies to mitigate competing priorities by aligning goals, behaviors and processes.

Another reason why institutions stick to the status quo is that we're seeing a lot of interim and shifting leadership in higher education. It's difficult for leaders to advocate for long-term, disruptive innovation when they're uncertain about their own tenure. In 2017, the American Council on Education conducted a survey that found the average tenure for college leaders was 6.5 years in 2016. That's down from 8.5 years a decade ago. What's more, over half of respondents said that they're planning to step down within the next five years. Naturally, these leaders are looking to the short term, and that is heavily contributing to the status quo mentality.

Evo: What are the biggest roadblocks that innovators run into when trying to shift the status quo at an institution?

Stokes: Two obstacles come to mind: people and resources.

It's not difficult for a university to hire a very motivated change agent, but unless the institution's faculty buy into the change agent's vision, he or she is going to encounter a lot of resistance. There are so many cases of people who were hired to foster change and left after running into roadblock after roadblock. People will ask, "Why should we be serving new audiences and developing new programs? Why should we be considering new delivery models?" Change can be perceived as a taking away of resources, or as additional work for already overloaded staff.

The second key obstacle is constrained resources. For the past several decades, colleges and universities have had to contend with new competitors, often with far greater capital resources, for a dwindling pool of students. If we go back to the 1990s and the 2000s, for-profit universities were bringing tremendous private capital into higher education and competing very effectively for certain segments of the student population. In the past decade, MOOC providers and boot camps have entered the market. These new competitors can make it hard for traditional institutions to access capital, grow their businesses, and keep pace with the changes across the industry.

Strzalka: If an innovator is going to try to shift the status quo, then they're going to need to align the institution's leaders around that initiative. In the face of competing priorities, he or she is going to have to present a well articulated

business case with a clear, measurable definition of success. This isn't something higher education does particularly well.

If the innovator is trying to implement disruptive change across multiple departments or the institution as a whole, they're going to need to manage across that siloed organizational structure, explaining to each individual business unit why change is needed, what's in it for their stakeholders, and what the consequences are if they don't take action. This is difficult work.

Finally, we find that in organizational cultures that are described as "consensus driven" or "collaborative," which is common in higher education, we find it actually means "one vote means no," which can lead to significant delays or frustrations as the innovator must convince everyone to sponsor the change.

Evo: You mentioned that innovation can be slowed down by a consensus-based approach to governance. Are there any best practices that you've seen to help create an environment where innovations are seen as a positive?

Strzalka: First, when you're dealing with higher education you're often dealing with sophisticated stakeholders that are conducting cutting edge research or being innovative in the classroom. They tend to want all of the facts, so often institutions end up in an "analysis paralysis." One way to counteract this is to set the expectation up front as a leader that 80 percent is enough. After that, you have to focus on decision making. As you implement the change, you can address that extra 20 percent. Monitoring towards success is an essential component of any change implementation, as is being nimble enough to adapt as the impacts of change become clear.

The second thing I would say is that an organization's culture has to appropriately incentivize people to effect change. So often, institutions and stakeholders perceive change negatively, as a failure of the past. If an institution wants to create a change culture, it has to support its change agents. The leadership team has to make it clear that outcomes of future initiatives are not a reflection of past performance—nor that change will result in negative individual outcomes if things don't go 100-percent to plan. Institutions have to allow for that innovative or entrepreneurial spirit, which means embracing potential failure as well as success.

Stokes: One of the ways to accelerate innovation is through strategic planning. Before letting a change agent loose, the leadership team has to build a

community-driven strategy, involving stakeholders who might otherwise throw up roadblocks. If you can identify the core values and strategic priorities that are going to drive decisions, and involve the entire campus community in defining what those priorities are, then you can bring in change leadership who can drive the implementation of those stated priorities. That can take time up front, but it accelerates things in the long term.

Evo: Why is it beneficial for higher education institutions to become more open to staff creativity and entrepreneurial efforts?

Stokes: Universities are fundamentally creative places, but because higher education is very tradition-bound, administrators tend to adhere to a narrow worldview with traditional disciplinary boundaries and familiar pedagogy. Embracing a change-oriented, market-responsive approach to continuous improvement is really about improving competitiveness and delivering greater value to key stakeholders. It results in better pedagogy, better delivery models to serve students, improved faculty opportunities for teaching and research, and greater economic development. Innovation on campus is a matter of focusing the core strengths of the university community to support the execution of the university's business.

Strzalka: The fact is, institutions need disruptive change in order to sustain themselves in today's market, and this change has to come from creative and entrepreneurial staff. Many higher education institutions don't understand their current culture. They don't understand the shadow cultures that exist within siloed departments, which are often tied to different missions and different stakeholder groups. Administrators often don't consider the culture that they need to build in order to achieve their strategic and operational vision. The key for any leader is to understand where they are, what the gap is, and how to create a culture of continuous improvement.

Evo: How important is operational efficiency to creating the kind of space and time that staff need to be able to innovate?

Strzalka: When you speak to a university president about innovation, one of the top three things that they mention is time: "I don't have time to think about where we need to go." Many presidents have an "open-door" policy and they're inundated with different constituents and competing priorities. For them to take

a step back and actually think about the broader organization and where it needs to go is difficult. Often, they're just plugging the holes.

There are ways to create innovation-friendly environments. We've seen institutions conduct Leadership Development Institutes (LDIs), where they bring in key leaders to facilitate future-planning. Where do they need to be five years from now, and what's it going to take in order for them to get there?

Stokes: In addition to having a lean and efficient organization, it's important to have the right incentives in place so that individuals with ideas for improvements are rewarded for developing and implementing those ideas. In some cases, institutions try to "innovate" out of desperation, when in reality they're looking for surplus revenue generation to cover administrative costs. Revenue generation as an incentive makes sense, but it's also important to incentivize the individuals who are doing the work.

Evo: How can leaders take the steps to develop a culture of innovation and continuous improvement on their campus?

Stokes: Typically, when institutions are confronted with disruptive change, they feel forced to choose between staying where they are, because that's what feels safe, or completely reinventing themselves, which can feel forced. With our "Dual Transformation" framework, we help institutions think about how their longstanding traditions and identity can help them optimize their current business activities and while also enabling them to build for the future.

Through the Dual Transformation framework, we encourage institutions to continue doing what they do well, but also to anticipate how to thrive in the future. What works today may not work tomorrow, but you can't focus exclusively on the future because then your business may well collapse. Equally, if you focus solely on the near term, you won't be prepared for the future.

The Dual Transformation process is a way of helping institutions think about how to address present and future challenges simultaneously. The key lies in creating separate leadership teams: one focused on the near term, and one focused on the long term. This allows each team to focus their energies on specific areas of responsibility. Of course, these teams need to converge at the most senior leadership level to ensure that their strategies are aligned.

Strzalka: Implementing sustainable change ultimately requires leaders to consider what they're expressing, modeling and reinforcing. We often see those three factors in misalignment.

By expressing, we mean the vision statement and how it is expressed to staff. Modeling means how the vision statement is being supported by university resources. Reinforcement refers to how behaviours and outcomes related to the innovation at hand are received, either through positive or negative accountability.

When there is misalignment between these three factors, faculty and staff lose trust in the leadership team. That's problematic, because trust in leadership is one of the biggest success factors. If we see trust deteriorate—if these goals are misaligned—it can derail an institutions' efforts to effect change.

Out of the three factors, we've found that reinforcement has the biggest impact, followed by modeling and then expressing. In higher education, we're generally good at expressing, but most institutions need to work on modeling and reinforcing. That's the way to build a culture of innovation.

This interview has been edited for length and clarity.

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