1546 Category: Strategy

Strategic Leadership in Higher Education: Embracing Challenge, Change, and Paradox

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INTRODUCTION

Today's institutions of higher education operate within a rapidly changing competitive global environment that is increasingly more complicated and complex. These changing conditions require administrators with the capacity to think outside the box and formulate new organizational strategies and also, and more importantly, develop the leadership culture necessary to execute the new business strategy. One of the difficulties higher education administrators face is institutionalization and isomorphism, which has influenced their mental models. Standards of quality in higher education as well as what constitutes success have been firmly embedded within the hearts and minds of educational professionals, future students, and legitimizing agencies such as accrediting bodies, government oversight entities, and certification agencies. To further complicate the situation, some higher education administrators lack business and management expertise and mistake economic planning for strategy and innovative action (Martin, 2014). As a result, there is an increasing need for academic professionals who can identify new market opportunities, innovate, manage change, and lead strategically.

According to Finkelstein, Hambrick, and Cannella (2009), "strategic leadership focuses on the executives who have overall responsibility for an organization – their characteristics, what they do, how they do it and particularly, how they affect organizational outcomes" (p. 4). The top echelons in higher education typically consist of the president, provost, vice presidents, deans, and department chairs. Many of these administrators rose through the ranks after starting their careers as professors with little background or experience in business management or organizational leadership. To compound the problem, in the early career years, these administrators may have perceived a slower rate of change with decision initiatives requiring many months or even sometimes years to move through faculty ranks and academic senate, to the board, and back to academic affairs in a lengthy planning and approval process. Furthermore, the expectations and standards set by accrediting agencies have also influenced the way administrators think about what ought to be done in their institutions.

Today's higher education administrators face unprecedented changes that require not only faster decisions but also strategic and innovative ones. Unfortunately, as Keller (1983) points out, many college and university top echelons have refused to incorporate strategic management principles "even though other nations regard American management one of the ingenious contributions to the new world of large organizations and rapid change" (p. viii). As a result, some higher education administrators are struggling to overcome challenges associated with increasing costs, skyrocketing discount rates, declining net revenues, enrollments, and graduate rates, which are problems that are contributing to the closure of many colleges and universities. There is sometimes a tendency to focus on the economic challenges and improving efficiencies while overlooking opportunities to innovate within the industry.

Pisapia (2009) argues strategic leaders must have the capacity to evaluate and assess the organizational situation and determine whether frame-breaking or frame-sustaining change management is necessary.

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He explains, "Frame-sustaining change is change that enables the organization to adapt and work more efficiently on the things it is already doing. Frame-breaking change is change focusing on shifts in direction, procedures, and culture that enable organizations to work more effectively" (Pisapia, 2009, p. 37). When it is important for an organization to improve internal efficiency in order to overcome challenges and meet industry demands, it is helpful to focus on frame-sustaining changes. Unfortunately, too often, administrators count on frame-sustaining initiatives to also enhance the effectiveness of the firm within the marketplace and may be discouraged by actual outcomes.

How many of today's higher education administrators have the knowledge and skills necessary to successfully lead their colleges and universities through the competitive, global, and technological advances that influence education today? The focus of this chapter is on the need for strategic leadership in higher education, the consequences when higher education administrators lack strategic leadership skills, and why it is important for administrators to develop associative thinking and collaborative innovation skills in order to successfully navigate the future.

Institutionalization and Isomorphism in Higher Education

In the field of higher education, accreditation, faculty qualifications, increasing costs, declining public support, lower completion rates, limited learning, funding, social and demographic shifts, and the complexity of governance represent some of the growing concerns regarding colleges and universities (Martinez & Wolverton, 2009; Morrill, 2007; Scott, 2015). Maintaining the status quo in higher education is no longer a viable option for organizational sustainability requiring fundamental change for future success (Christensen & Eyring, 2011). Unfortunately, institutionalization and isomorphic pressures weigh heavily on college and university administrators making it challenging for these individuals to envision the type of changes needed to formulate diverse strategies and lead the strategic change necessary in higher education. Institutionalization and isomorphic pressures influence strategic thinking "through adaptation to a socially constructed environment" (Boxenbaum & Jonsson, 2008, p. 80).

Institutionalization occurs as "social processes, obligations, or actualities come to take on a rule-like status in social thought and action" (Meyer & Rowan, 1977, p. 341). Selznick (1992) defined institutionalization as "the emergence of orderly, stable, socially integrating patterns out of unstable, loosely organized, or narrowly technical activities" (p. 232). Fleck (2007) argues, "Institutionalization processes have an ambivalent effect on organizational long-term success. Even though they foster organizational stability and permanence, they also bring about rigidity and resistance to change" (p. 64). Professionals within the field of higher education share similar values, and these shared values foster a sense of commitment to uphold standards and norms associated with those values. Selznick (1957) explains, "When value-infusion takes place, however, there is a resistance to change. People feel a sense of personal loss; the 'identity' of the group or community seems somehow to be violated; they bow to economic or technical considerations, only reluctantly, with regret" (pp. 18-19).

Within the field of higher education, different institutions share similar values and then imitate one another to legitimize the school (Greenwood, Oliver, Sahlin, & Suddaby, 2008). When administrators attempt to conform to socially expected norms within the field of higher education, they are generally doing so to influence the organization's status and reputation. Deephouse and Suchman (2008) explain there is an interrelationship between legitimacy, status, and reputation as constructs that "all focus on cultural factors in organizational life. They all suggest that organizations can garner resources by conforming to prevailing social norms" (p. 60). A wide range of constituents and stakeholders formally and informally evaluate colleges and universities, and these accreditation bodies and certification agencies

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