Strategies for University Management

Volume II

Edited by

J. Mark Munoz and Neal King

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Abstract

The state of affairs of contemporary higher education has been described as chaotic, highly competitive, and constrained with institutional road-blocks and bureaucracy. Despite obstacles, several academic leaders defied conventional wisdom and took on an aggressive path toward innovation and change. This book captures the viewpoints of thought leaders in the contemporary education landscape. With insights from academic administrators and experts from around the world, this book is poised to be the official "how to guide" for success in the management of educational institutions. Volume 2 focuses on the organizing and controlling management functions of universities.

Keywords

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CHAPTER 1

Introduction

J. Mark Munoz and Neal King

Introduction

Globalization has transformed the nature of academic institutions and has redefined the way it operates. Just a few decades ago, online education was unheard of. Today it has jumped into the forefront of academic discussions and shaped the way education is packaged and delivered. Some institutions are moving even a step forward by using mobile platforms to educate students.

A mere century ago studying overseas was a near impossibility to many and was exclusively for wealthy families. In recent years, hundreds of thousands of students worldwide are studying overseas. In the United States alone, over 280,000 students studied abroad in 2012–2013 (NAFSA, 2015).

While the market appears large, this educational landscape has taken competition among educational institutions to an intense and unprecedented level. For some, drastic and urgent changes have become necessary in order to tap into opportunities and overcome challenges.

In this environment, academic institutions are confronted by the need to differentiate. There are over 20,000 universities in the world, and about 3,300 are in the United States (Webometrics, 2014). A significant number of recent graduates were in jobs that did not require a college diploma (Lorin & Smialek, 2014). The push and pull forces associated with international education have encouraged students to consider educational options in foreign countries and spurred international student recruitment (Binsardi & Ekwulugo, 2003; Mazzarol & Soutar, 2008).

It is essential to create value. McDonald (2014) cited factors shaping enrollment decline in many U.S. universities: student debt, competition from online schools, unattractive job prospects, and students seeking cheaper educational options. Many community colleges are redefining the academic landscape by: (1) engaging in innovative programs for college preparation, (2) enhancing completion rates, (3) keeping tuition fees and textbooks affordable, (4) focusing on skills readiness and job preparation, and (5) building on existing skills and competencies (Grinberg et al., 2014). Certificates, badges, and other nontraditional ways of capturing and documenting life learning are increasingly a threat to degree programs that seem suddenly archaic and not relevant.

There are numerous advantages associated with the success of academic institutions. Aside from the cultivation of knowledge, labor productivity, and contribution to economic growth and development, it has an impact on sustainability and future employment. It shapes intellectual capital (Parker, 2002). A correlation exists between educational direction and job creation (Sanyal & Varghese, 2006). The academe stimulates knowledge formation and supports the demands of the knowledge-driven and globally oriented society of the 21st century (Naidoo, 2010; Wissema, 2009). Forecasts suggest that about two-thirds of jobs in the United States would require a post-secondary degree or certification (Grinberg et al., 2014).

Universities have much to gain by implementing effective management approaches that pleases multiple stakeholders and lead to profitability and sustainability.

Importance of Strategy

Strategy is defined as actions managers, which, in this context, includes both senior managers and oversight governing boards that take to attain a firm's objectives. Academic institutions have different objectives, and priorities differ according to market conditions, customer preferences, and competitive factors.

Strategies may be viewed in the context of its formation or execution (Kaplan & Neimhocker, 2003; Thorpe & Morgan, 2007). It is impact-

ed by factors such as problem perception and rationalization, context, culture and process, structure, level of control, leadership, and communication (Drazin & Howard, 1984; Jaworski et al., 1993; Nutt, 1983; Simon, 1996; Wall & Wall, 1995; Workman, 1993).

In this book, strategies relating to the practice of management are explored, specifically in the areas of Organizing and Controlling.

The way an academic institution is organized factors into its success. Academic leaders need to be skilled in leveraging available human capital across multiple stakeholders in order to achieve their goals. They need to be able to select an appropriate structure that sets the foundation for the unleashing of talents and competencies. Effective organization impacts collaboration ability and leads to operational efficiency (Adler et al., 1999; Sundaramurthy & Lewis, 2003). It has the power to shape the organization's future (Quinn, 1988).

Closely linked to the management function of organizing is controlling. Controlling refers to the identification of desired results and measuring them against established goals. It entails the identification of best practices and standards as well as implementing necessary changes to keep the organization on track. Effective control paves the way toward goal achievement (Wijewardena et al., 2004). It contributes to the enhancement of organizational performance (Onyemah & Anderson, 2009).

This book highlights the best practices in organizing and controlling academic institutions in a strategic context.

Book Organization

The authors offer a range of topics that are deemed relevant to contemporary university management. Emphasis is placed in the management functions of Organization and Control. The intent is to provide innovative concepts and ideas that would help academic leaders manage their institutions in the best way possible.

The book *Strategies for University Management* (Volume 2) is organized into four sections. Section I is the **Introduction**. Section II is about **Effective Organization** and includes the following chapters : Developing and maintaining meaningful relationships with faculty, staff, and students (*Arthur Kirk*), Optimizing the Board–President relationship: Best practices

that make a difference (*Gene Habecker*), Pathways to entrepreneurship in the academe (*J. Mark Munoz*), Evaluating the impact of social networks on the university's public engagement (*Letizia Lo Presti and Vittoria Marino*), Business and academic linkages: The case of Georgia (*Kakha Shengalia and Shalva Machavariani*), and Quad-helix engagement for city and regional development: the role of universities in governance, leadership and management (*Thandwa Mthembu*). Section III pertains to **Controlling for Success** with chapters such as: An empirical basis for strategic management of price and aid (*Richard Hesel and Craig Goebel*), Enrollment management (*Halia Valladares and David Docherty*), Assessment is everyone's business (*Wendy Weiner*), and Financial management in higher education (*Neal King and J. Mark Munoz*). Section IV is the **Conclusion**.

Volume I of this book series in University Management covers the equally important management topics of **Planning** and **Leading**. It covers the topic of **Planning for Success** and includes the following chapters: Raising academic quality: A playbook (*Fr. Dennis Holtschneider*), Using accreditation to create and sustain an institutional vision and effective planning (*Ralph Wolff*), Developing, managing, and measuring a fluid strategic action model for higher education (*Gary Bonvillian*), Effective communication to improve the quality of university instruction (*Ernesto Schiefelbein and Noel McGinn*), Going online : Pitfalls and best practices in distance education (*Mac Powell*), Leading comprehensive internationalization on campus (*Thimios Zaharopoulos*), and Global higher education : A perspective from Spain (*Fernando Galvan*). There are discussions on **Leadership** with chapters such as Never alone: Building an effective management team (*Gary Dill*), Creating and sustaining the university leadership pipeline (*Don Betz*), Managing diversity as a university strategy (*Geetha Garib*), and Managing duty of care obligations in a university setting (*Lisbeth Claus*). Together, the two volumes provide a comprehensive perspective on the management of academic institutions and cover the four functions of management: Planning, Leading, Organizing, and Controlling.

Strategic Value

The authors and editors hope that through the essays provided, many educational institutions worldwide can be helped and revived. For those

fortunate to be in a growth path, some of the innovative ideas featured in the book can provide a roadmap to sustainability and greater success.

This book is valuable to a diverse audience. The offered strategies are useful for: (1) university leaders and stakeholders—as they seek ways to revive their organizations and enhance its performance, (2) management consultants—when they endeavor to help their clients find solutions to problems, (3) administrators in government and international organizations—in their efforts to strengthen policies in education, (4) private corporations—in their collaboration and partnership with colleges and universities, and (5) educators and students—as they expand their knowledge on education in the 21st century.

Managing the Changing Academia

This book is a pioneering effort to converge the viewpoints of academic administrators from around the world in order to identify the best potential strategies in university management. The book furthers the notion that strategic shift and innovative thinking is needed in managing the contemporary academe. As a groundbreaking approach in identifying strategies for success in university management, the editors, authors, and contributors of this book were confronted with the challenges and opportunities of embarking into a novel initiative. Despite resource limitations, there is an abundance of creative thinking to shape a new paradigm of knowledge in university management. The editors are confident that the ideas behind the book will enhance the practice of university management and will help in the growth and transformation of many institutions worldwide.

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Part 1

Effective Organization

CHAPTER 2

Developing and Maintaining Meaningful Relationships with Faculty, Staff, and Students

Arthur F. Kirk, Jr.

My two presidencies can be classified as "turnarounds." I started my presidency of Keuka College in January 1984 nine months after the area press reported that college might not reopen for the 1983–1984 academic year after over a decade of declining enrollment and mounting financial deficits. The reports were not exaggerated, the school's board of trustees had formed a secret committee to plan the orderly closing of the college months before the press stories. Only the bequest of a late trustee received a few weeks after the press reports provided the cash for the college to limp through the summer and reopen for one last ditch effort to survive. I was the person hired to keep it open. In my first 6 months, I terminated 20% of the administrative staff, nearly 20% of the faculty, eliminated five academic majors, combined two others into one, spearheaded changes to the core curriculum, significantly reduced elective courses offerings, drastically altered the college calendar, reinstituted intercollegiate athletics and changed the mission from a women's college to a co-educational one.

When I arrived at Saint Leo (then college) in 1997, many there feared it too might soon close after years of declining enrollments and mounting deficits. The personnel and budget reductions required at Saint Leo were less drastic, but I demanded significant and rapid changes of every faculty and staff member immediately. Vice presidents, administrators, staff, and nontenured faculty who did not respond to the

changes quickly and convincingly were let go. Only one vice president and neither academic dean survived the first year. Several untenured faculty were not renewed once it was clear that they were unable or unwilling to behave and perform to new expectations and standards. Drastic circumstances mandated drastic measures.

The challenges when a new president must force personnel, curricular, and other changes as dramatic as immediately downsizing the staff, firing or forcing out key administrators and others, and pruning the curriculum certainly make the challenge of building and maintaining positive and productive relationships with faculty, staff, and alumni far greater. Some believe it impossible to build constructive relations after enforcing such changes at the very beginning of a presidency, before any trust or mutual understanding can be established. Valued mentors with similar experiences urged me to correct the financial and enrollment problems and move on to a "better" presidency in 4 or 5 years. I disagreed then, and now I believe my experiences prove my position.

All presidents encounter the challenge of developing and maintaining meaningful and productive relationships. This holds true in the business world where CEOs must interact effectively with a range of publics that may include customers, politicians, board members, community representatives, senior executives, and perhaps, many types of staff. College and university presidents also interact with these groups and other constituencies as well, but the interpersonal dynamics for university presidents are far more complicated.

However, the faculty occupy a special place in academic organizational culture. In 1948, the then new president of Columbia University, former Supreme Allied Commander, Five Star General and future U.S. President Dwight D. Eisenhower, learned this lesson. In his first speech to the faculty, he expressed pleasure at meeting the employees of the University and was immediately interrupted by Distinguished Professor of Physics Isidore I. Rabe who purportedly stated: "Mr. President, we are not employees of the University. We are the University" (Rothfork, 2005).

Corporate CEOs do not have any comparable employee group with lifetime appointments and this firmly held opinion (and the willingness to express it freely) that they are the corporation. Chief executives in a

business also do not have any constituencies quite like the students of a college or university. Students are not exactly customers (though woe to the modern president who does not recognize some of the similarities). These "customers" are also our raw material and product. Also, while a business CEO may have "alumni" of the firm in the form of retirees to recognize; once again, it is not the same. Perhaps, the only category that is similar is the staff. However, the professional nature of many university staff often strongly influenced by the faculty's relative autonomy can in some institutions complicate even those relationships. It is not uncommon for hourly staff to sit on university senates or have their own collective body to advise the administration and voice their opinions on all matters affecting the college. College and university presidents need to be far more sensitive than corporate CEOs when handling even hourly staff.

For the first-time president, there are other important issues to recognize. One that is difficult for many, especially those promoted from within the ranks, is that they are no longer "one of the gang." This is true in any setting as presidents of the United States soon find even their longtime friends addressing them as "Mr. President," versus "Ronnie" or "Bill" or "George" or "Barry." I recall early on in my first presidency (I came from the outside) my wife and I were invited to a party at a staff member's house attended by mostly other faculty and staff and their spouses. As we drove to the party, I told my wife: "remember, they cannot wait until we arrive and they cannot wait until we leave". At first, she did not understand why. There are three realities contained in this story: (1) the importance of appreciating the invitation and honoring it with your presence, (2) the president and the staff cannot relax and unwind together, and (3) the president should not attempt to unwind in the presence of staff and faculty.

To differing extents depending on the local environment, this discovery may also carry over to the use of language, especially humor and even perception. Dr. James W. Hall, then a recently appointed President of Empire State College, came up to a young staff member a few months into his tenure and asked if she was ill because she, a normally vibrant recent Yale graduate, did not look good. He was stunned when she replied that she had not slept since he had (jokingly) made a comment about an idea she had thrown

out in a meeting 2 days before. Hall obviously learned from that and other experiences, as he remained President of that institution for another 27 years. In my first presidency, a faculty member and his wife had two children very near the ages of our daughter and son. Consequently, we attended many school events together and shared much in common. But when I learned that the faculty member told colleagues: "don't worry, I have the ear of the president," I realized that I would need to withdraw further to discourage any such perception. The status of the position compels us to be very careful in all of these interactions if we want to build sincere and productive relationships with all within our charge.

The challenges are no less daunting for those of us brought in from outside the organization. The outsider has many people to meet and a new organizational culture to learn. A friend who upon entering the building on his first day as a new Dean of the Faculty found a department chair waiting next to the front door with a big smile, a firm handshake, and a well-prepared greeting monologue. Most colleagues will remain distant, in some cases hard to reach, as they search for signs and signals about the new president's style. Others will try to gain immediate favor with the new president. Whether an internal appointment or an outside one, the new president must uncover ways to bring about thoughtful, unscripted interaction around the campus that allows one to begin meaningful dialogue and engagement with a wide range of people. I learned that going to meet faculty in their offices enabled me to meet serendipitously with many other faculty in nearby offices. Indeed, just being visible "on their turf" sends a signal that helps to build rapport. Art openings, music recitals, poetry readings, scientific meetings, guest lectures, and business conferences all offer valuable, perhaps indispensable, opportunities to establish informal and personal relationships with faculty and convey your interest and respect for their work. Handwritten notes reinforce those messages as well. The time spent doing so pays dividends in the leader's relationships.

In my case, the challenges of being the new president are now decades behind me, but at the outset of both presidencies determining how to proceed quickly was crucial to both institutions' survival. My doctoral dissertation was on small college survival strategies, strategies. I tested

my thesis in a 37-year career where I implemented my findings and ideas, and subsequently my experiences (the first time I participated in an institutional turnaround was as the executive vice president and CFO of a third college). My research sought approaches to right sizing and restructuring failing colleges quickly without destroying the opportunity to build lasting, positive relationships so crucial to the long-term success of any university and its president. A positive campus morale built on positive relationships between and among students, faculty, and staff is crucial to attract and retain students, faculty, and staff.

My presidencies were long term at 13 and 18½ years, respectively, and progressed and ended on very good terms with the overwhelming majority of faculty, staff, students, alumni, and trustees despite the difficult changes I implemented at the outset of my tenure and orchestrated during it. However, I do not offer what follows as a catechism on how to develop and maintain strong, meaningful relationships. Every institution's culture is different and the innate personalities and personal styles of the president and key followers are important components to the success or failure of any approach. But I expect that the lessons I learned from what worked and what did not work for me will be worthy of consideration.

Bill George, a Senior Fellow at the Harvard Business School and, perhaps equally pertinent, the former 10-year chairman and CEO of Medtronic where he was identified as "Executive of the Year-2001" by the Academy of Management and one of the "Top 25 Business Leaders of the Past 25 Years" by PBS, offers a broad context for leaders considering building strong staff relationships.

George maintains that authentic leaders genuinely want to serve others and are guided by passion and compassion as much as qualities of the mind. While noting that "authentic leaders" are not born that way, they do use their natural abilities, while recognizing their shortcomings and working hard to overcome them. Most importantly, he asserts that they lead with consistent and disciplined purpose and values, and when principles are tested, they do not compromise. These leaders according to George have learned and accepted that it is lonely at the top, but know that people will entrust their hopes and dreams to another person only if they think of that other person as reliable. Thus, the willingness

to stand firm on principle is essential to being one's own person. This involves developing a leadership style that is harmonious with their personality and character (George, 2003).

While I believe I did that reasonably well in my first presidency, I took my approach a step farther in my second presidency. In a gathering of all faculty and staff, I called my very first week at Saint Leo, I articulated the fundamentals of the leadership and management approach they could expect from me: we would be absolutely clear in our mission; we would identify and define core values that we would all be expected to live and work by and then we would develop a vision for all to see, to share and to work toward. I also made clear that day that everyone would be accountable for the proper execution of their responsibilities in a manner consistent with our mission and our core values. I subsequently labeled these principles as the "four cornerstones for success" and worked uncompromisingly to assure everything we did remained consistent with them.

Based on the context of the four cornerstones, I worked hard at building deep and enduring relationships with students, faculty, staff, trustees, alumni, and the community. Decisions were made without exception based on our "student centered" mission and our core values of community, respect, responsible stewardship, personal development, excellence, and integrity (the latter defined in part "we will be honest just and consistent in word and deed"). Priorities were set based on what was needed most at that time to advance us toward our vision. And all of these decisions were communicated with our rationale on how they met these principles.

It was also important to be available, visible, and communicative to all the constituencies, thereby demonstrating my respect for them and confidence in the decisions I made or endorsed. This is particularly important when decisions are controversial or strain the feelings of others. By not being defensive and remaining open and visible, one conveys that the decisions are not personal and the differences are purely professional. I attempted to convey my confidence in their willingness to appreciate our reasoning even if they disagreed with the decision itself. That stance required me to articulate my reasoning. I am known to say "reasonable people can disagree reasonably." That is what I strove to

create by my example. While I have not succeeded in every endeavor at relationship building, I believe that much of the success Saint Leo University has enjoyed, as have I, can be traced directly to the foundation provided by the four cornerstones.

- The first cornerstone is mission. When I first came to Saint Leo in 1997, the college faced daunting challenges. Our enrollment was declining; operating deficits were increasing; our facilities were in serious disrepair (every roof leaked; the average age of our air conditioning equipment was 37 years, 17 beyond its life expectancy); compensation and morale were dismal; and our technology was grossly inadequate, outdated, and obsolete. In that first speech to all of our faculty and staff where I outlined the fundamentals, I also confronted these issues:

  > *Saint Leo lacks a clear and shared sense of mission, any vision, or planned commitment to change. Our problems are exacerbated by extraordinary fragmentation and adversarial relationships.* (Kirk, 1997)

However, we also had a heritage to build upon: a centuries-old mission of providing student opportunity grounded in work, study, and prayer and supported by the core values of our Catholic, Benedictine traditions although neither mission nor values were very apparent at the start.

Working with students, faculty, and staff, we immediately clarified the mission through an involved process engaging the entire community in surveys and discussions of why do we exist. "Why" is an essential question leaders must answer for all of their constituencies and in higher education the most compelling answers are, or should be, contained in the mission statement? A statement existed at Saint Leo before my arrival, but it held little meaning for most of the faculty and staff. It said the right things but with far too many words and appeared disassociated from decision making and sometimes people's work. No one knew who or how it was written, it was neither referenced nor discussed and consequently few paid much attention to it.

Once we discussed in depth, clarified, and approved a new mission statement, we engaged in a similar process to discover and identify the underlying values and traits extant when we were performing at our best. This led to identifying and then defining our six core values (community, respect, responsible stewardship, personal development, excellence, and integrity). We defined each clearly as expectations for everyone's behavior, all of the time. For years, awards were given (they still are by students) for those whose behavior and actions exemplified the values. Our values became central to our student and employee orientations, and our student and employee development programs. Every course in our curriculum teaches at least one of the values in a very intentional way. Our core curriculum emphasizes critical thinking skills to apply our core values to make better decisions. One cannot walk through our facilities without viewing reminders of our core values. They also play an important role in our hiring and evaluation processes for all faculty and staff.

The mission and values established the foundation for what became over time a positive, high performing organizational culture, and the transformation of the institution. In the 18 years since then total enrollment more than doubled, campus enrollment more than tripled. We recently completed our 11th new building (a 12th is under construction now) in the past 12 years adding 1 million square feet of new campus space (+250%) while completely renovating and re-purposing three other structures (a fourth renovation project is underway now), the endowment has grown by 800%, the full-time faculty is four times larger, net assets have grown from $19M to over $175M, and we repeatedly earn Honor Roll status in The Chronicle of Higher Education's list of "Great Colleges to Work For" (Chronicle of Higher Education, 2014) among other similar distinctions. It has been a euphoric period and I am proud to have participated in it. But, it would not have been possible without success in developing and maintaining meaningful relationships with and among students, faculty, staff, and others in the community. I believe that for universities or colleges to realize their potential for success, the vast majority of their faculty and staff must be fully committed to the mission, values, vision, and plans. Jeffrey Pfeffer agrees:

Strategies based on product differentiation, quality and customer re-
sponsiveness require the use of high commitment strategies to a great-
er extent.

Jeffrey Pfeffer: Competitive Advantage Through People

Saint Leo's mission unifies us by answering that most important question leaders must always answer: why? In our case, one of the most important parts of that answer from our mission statement is that we are "student centered." Our people commit to this mission. Our work, our decisions, our curriculum, our organizational structure, our course schedule, office hours, etc. must first and foremost serve and benefit students.

Three of our core values are especially important to the strong relationships that contributed to the success we enjoyed at Saint Leo University. The first is "respect," which speaks to valuing diversity, the free exchange of ideas, harmony, and recognizing the unique talents and dignity of every individual. The second is "integrity," which speaks to honesty, justice, and consistency in word and deed. The third is "community," which speaks to belonging, unity, and interdependence based on mutual trust to create socially responsible environments that challenge us to listen, to learn, and to serve. As previously described these are much, much more than poster copy.

As President, I have overseen the development of various processes, systems, and practices that support the core values. Our hiring and orientation processes emphasize our core values. Our employee evaluation systems do as well. But other processes are atypical of many traditional academic governance approaches. We established and maintain clear decision-making authorities that faculty elsewhere might find insufficiently "shared," but we also enjoy a positive culture, documented by our recognition from the Chronicle of Higher Education and similar surveys and through the Organizational Culture Inventory (OCI) administered biannually over the full 18 years of my presidency. (See : Organizational Culture Inventory©, Human Synergistics, Inc. Plymouth, MI.) The OCI documents substantial but not always steady improvement over 18 years. Our "constructive" scores have improved from

the 37th percentile of all organizations using the instrument in 1998 to the 54th percentile in 2014. Our passive defensive scores (undesirable) fell from the 71st percentile in 1998 to the 37th in 2014 an even more positive result than the improvement in the constructive scores. Our aggressive defensive scores also improved by falling from the 50th percentile in 1998 to the 28th percentile by 2014. I made cultural change at Saint Leo a key objective in 1997 and consistent with our commitment to accountability, we measured our baseline culture in 1998 (after the honeymoon was over) and have measured and reported our results every 2 years since. We also receive the OCI scores by department, division, and office, so we can intervene with coaching and training if a manager's subculture is inconsistent with our expectations and standards. However, below par results in a department again 2 years later may lead to a change of managers.

A third cornerstone, Vision and Strategic Planning, engages the university community in the process of answering three fundamental questions: where are we now; where do we want to go; and how will we get there? Our strategic planning process contributes to the positive culture and the formation and strengthening of relationships. I revisit the short-term (5 years) vision for the future every 4 years and provide annual updates of the progress on our plans to achieve the vision. These processes are highly consultative, but not necessarily democratic. Since 1998, every 3–4 years we developed a narrative of a multiyear vision. In the early years, I personally drafted the vision and distributed it widely for feedback from all quarters before the vision was published. As the university evolved the process moved from a top-down draft in 1998 to a complete bottom up draft of Vision 2017 that we crafted in 2012. To prepare the 2017 draft, I met personally with dozens of groups and departments including trustees, alumni, advisory boards, students, faculty by school, administrative departments, and divisions to gather their initial ideas. But no matter how we constructed the first drafts, the strategic narratives were always distributed and discussed by every constituency across the institution until we reached a general consensus on the major aspects of where we wanted to go and what benchmarks would provide evidence of our success. By consensus, I do not mean unanimity

or even a majority endorsing all or part of the vision. We define consensus as substantial agreement where everyone "can live with" the description of the vision, and ideally, support it with enthusiasm. Our final drafts after the Board of Trustees approves them were published and distributed to every corner of the university.

An important group in this process is our strategic planning committee that consists of representatives from the senior team, middle management, faculty, students, support staff, and alumni. For Saint Leo that also means assuring faculty and staff representatives from our off campus locations as well (we have over 40 in seven states). This planning group does the heavy lifting, especially in the development of the strategic plan to pursue the vision and develop the annual updates to the plans. The diversity of the planning committee's composition, which is altered by a few members every year, ensures that many viewpoints are heard and that the decisions enacted make institutional sense. The most important planning decision each year is the selection of what we call "Key Result Areas" (KRAs). "KRAs," by definition, are deemed critical initiatives to the achievement of our vision. We limit the number to three or four and any project that is so chosen is guaranteed significant resource support, sometimes to the disadvantage of other important initiatives or ongoing activities. In other words, while there are many important things going on, everyone in the institution knows what our top priorities are.

As President, I participate in the strategic planning process, though I do not facilitate the meetings. That is left to a consultant who ensures that all ideas are heard and considered. Normally, I wait to hear from others before speaking so as not to exert too much influence over the discussions. But as with any participant, I must be able to "live with" the result too, and there are times when our discussions can be intense. Thus, the strategic planning process is both an opportunity to listen to an array of opinions on a myriad of subjects, and a chance to clarify and communicate my thoughts to a wide group of colleagues. At the conclusion of the retreat, we provide a full report of the committee's work and decisions to the entire university community. It is a powerful process that has engendered steady progress for Saint Leo, and I believe it has also helped us all build stronger and deeper relationships, as we find consensus together in an open, respectful forum.

The strategic planning process does not supplant traditional faculty senate and committee governance functions and roles. (The Senate Budget and Planning Committee Chair is a member of the strategic planning committee linking the University Senate to the planning process.) The Board of Trustees approves the vision, strategy, and plan priorities. In my semi-annual state of the university addresses, I always remind everyone of crucial aspects of our vision and plans and report on our progress and the next challenges I see as well. I do the same at the start of every board meeting by describing the strategic context for the trustee's discussions and decisions. I believe that these inclusive, transparent, collaborative, and decisive processes contribute to our atmosphere of high student, faculty, and staff satisfaction, and better overall University results.

The fourth cornerstone for Saint Leo University's success is Accountability for Execution. While this might not seem a likely candidate in the development of positive relationships, for us it has proven to be important. At Saint Leo, we expect commitment to objectives and results from all members of the community, and we observe, measure, and evaluate everyone's performance. One aspect of that begins with strategic planning.

After the strategic planning committee and I decide the Key Result Areas for the next budget year, we identify sub-teams to write "Action Plans" that specify who will complete each appropriate project step and when. A "captain" oversees each action step of the entire plan and each step has a designated leader and generally a small team of contributors to carry out the step. There can be over a hundred people with roles in action steps. We monitor the progress via a monthly Internet reminder system and follow-up process, and most Action Plan Captains schedule periodic review and revision meetings with the sub-teams. While action plan implementation sometimes can seem tedious, the process of working together in cross-functional teams is productive, builds cross-functional relationships and results engenders trust in the strategic planning process and one and other. As President, I am the "Admiral" of the Action Plan implementation process, and it provides another way to interact with people throughout the institution. However, there is a more important element of our accountability system where I am more involved.

Each spring I develop 8–12 "Institutional Execution Objectives" (our operating priorities) with an outline of the strategies and tactics as well as the measurable results expected for each objective at the end of the next fiscal and academic year. Our financial performance, fundraising results, enrollment growth, graduation rates, and even our organizational cultural inventory scores are almost standard objectives and our results on these objectives can be easily and objectively documented. Some objectives such as improving learning and teaching present more of a challenge to measure accurately, certainly with numbers alone, but we do the best we can (using end of course survey results, senior exit surveys, academic program reviews, outcomes exams, etc.). My vice presidents then each develop their division's next year's priority objectives with strategies, methods, and metrics based on the objectives that I prepared (and reviewed with the Board of Trustees chair). Every administrator at Saint Leo subsequently develops annual objectives in this same process that cascades down through the organization and assures alignment.

As President, I generally only review and approve the execution objectives, strategies, and metrics of my direct reports at the beginning of the cycle. But once a quarter, I meet with an expanded cabinet of executives (usually about 15–18 deans, directors, associate vice presidents, and vice presidents), where each of us presents his or her objectives, strategies/tactics, and metrics and gives status reports verbally and in writing. At these full-day, off-campus "Execution Meetings" (see the book Execution by Larry Bossidy and Ram Charan), we report to one another our progress, our prospects, and sometimes our failures. These are powerful sessions, as the group learns about, critiques, and provides ideas and/or offers personal help on challenges facing colleagues. The point is not to catch or punish those who are failing, but rather to maintain focus on our priorities and collectively find ways to improve and succeed. I always go first, in part, to make the point that I am equally accountable to them for my performance as all others. We also invite four or five different observers chosen by vice presidents or deans to each session.

Over the years, I have found that the Execution Meetings have helped me build and strengthen relationships within our team. This extended staff including faculty observers see more of my humanity and style of leadership and witness me doing an occasional *mea culpa* if I come up

short. More often, they observe my typical response to the failings of oth-
ers. For the most part, I ask a person missing a target: "what is your plan
for getting back on track?" versus "why did you stumble?" Our objective is
to determine how we can improve and succeed, not to root out excuses for
failure. The group itself also provides lots of encouragement and recogni-
tion for success and the strength of the executive staff (vice presidents and
president) and their mutual trust, respect and support become very appar-
ent to all the others in the room. Indeed, when the observers are asked to
comment on what they observed and learned from their day with us in an
execution meeting, this is frequently a theme. It is true that sometimes we
observe continued shortfalls on objectives, and everyone eventually sees
that this can have consequences. But more often these meetings provide
an opportunity to celebrate accomplishments and feel good about discov-
ering that everyone is working hard toward the collective goals and our
vision. The vice presidents model the same process with their direct re-
ports and this quarterly step also cascades down through the Saint Leo
University organization even beyond the deans of our three schools to
several academic departments much to my surprise and delight. In short,
the Execution Meetings provide a learning laboratory for all of us on the
power of open and honest relationships.

From my past experiences and observations of poor performing in-
stitutions, I know that low morale and fractured relationships in part
result from beliefs that some or many parts of the institution perform
poorly without any consequences. Blame proliferates. Dysfunction
emerges as well where there are different interpretations of the institu-
tion's mission, no clear organizational values that set expectations for
how people will interact and deal with differences and no vision, or
worse yet, an inauthentic tagline substituting for vision unsupported by
substantive plans, clear objectives and real progress.

One clear finding of our in depth analysis of our Organizational
Cultural Inventory is that those who report they work in an exceptional-
ly constructive culture are clear about:

- What their job responsibilities are (execution objectives)
- The standards for their performance on these
  responsibilities (metrics and values)

- How well they are doing (routine and open communication with their supervisor)
- They have opportunities for improving their performance and developing new and better skills (a personal development plan with training options)

While I have found these structural and formal cornerstones essential and that a president cannot be "one of the gang," I also know that it is equally ineffective to be aloof. A retired U.S. Marine Brigadier General complimented me years ago by making a point about my presence at so many institutional functions when he said: "you can pretend to care, but you cannot pretend to be there." I make a habit of attending as many events that are important to our constituencies as possible and reach out and connect while there. I make sure they know I am present not with a grand entrance, an upfront seat or formal remarks from behind the podium on the stage (obviously sometimes required or appropriate) but by greeting the participants afterwards with a word of gratitude, congratulations, or encouragement. I follow up with notes, many handwritten, and am especially vigilant about extending written messages when I am unable to attend. Notes are also sent when a faculty member publishes or earns some other recognition, when a student athlete earns all-conference honors or has an exceptional game, when an administrator speaks at a national conference. One unfortunate reality, though, is that this has gotten harder as my institution grew substantially in size and complexity. When we had eight NCAA Division II athletic teams, it was easy to see each team play more than once a season. When we had one music recital a semester, it was easier to get it on my schedule. Now there are 19 intercollegiate athletic teams, 5 or 6 concerts a semester involving our students, faculty, and staff, thus many more athletes and faculty accomplishments to note and lots more going on. These are all evidence of a healthy collegiate environment, but also means there is always something else I should be attending.

I sometimes long for the life of legendary Drexel University President William Haggerty who transformed that institution in a tenure lasting from 1963 through 1984. One of his habits was to have lunch in the Faculty Dining Room almost every day where he chose a seat at

random in an effort to meet and talk with as many faculty and staff members as possible. I was able to do some of that when younger and at smaller institutions, but Saint Leo now has over 40 locations in 7 states as we have grown to become a community of ±16,500 students. We have 1,000 faculty teaching in any given term and over 800 full-time administrators and staff. Among the many identifiable publics that I also interact with on a regular basis are representatives of the Catholic Church including our monks and nuns of the Benedictine monasteries who founded us, politicians and government officials in multiple jurisdictions, trustees, alumni, prospective and confirmed donors, leaders from our many local and regional communities, representatives of the military (Saint Leo is one of the leading providers of higher education to active duty and retired military personnel), and others. And in recent years with our notable success, particularly during the "Great Recession," many educational and even business associations invited me to give keynote presentations, participate on panels and serve on boards. These appearances—all of them important to developing the university's reputation and stature—generally conflict with internal activities also on my monthly calendar: sports events, plays, concerts, retirement parties, campus governance meetings, and the like. And there are also some obligatory unplanned events such as hospital visits and funerals. One result for me in recent years is very few dinners at home. I sometimes go weeks without a free evening. I am not complaining. This is part of the job for today's university president and something I believe is important, especially for helping build relationships. One must still "be there," and find ways to show that one "cares."

Here are practices that I employ to connect in a meaningful way with people. I confess that sometimes I slip in implementing this list and disappointed some people along the way. But I believe that the list still is worthy of consideration.

In any of the situations discussed above and with any of the publics mentioned:

- Be respectful of everyone all the time. This is one of our core values at Saint Leo but fundamental to all relationships.

- Always act with integrity, this too is a core value at Saint Leo and compels us "to be honest, just and consistent in word and deed"—to me, this is an absolute.
- Confront poor performance or inappropriate behavior professionally, quickly and in a manner consistent with our values. Everyone notices when poor performance or poor behavior is overlooked and will soon conclude that you are not committed to performance and behavior standards.
- Be firm, but not despotic—nobody likes to get close to a tyrant, but people will not be happy either if you are indecisive or "wishy washy."
- Listen to all concerns, as Saint Benedict advised his monks in "The Rule" with the "ear of your heart", in other words with empathy.
- Always be polite and composed—even, and perhaps especially, when hearing criticism.
- Find ways to involve people in discussions, activities, and decisions—the success of our strategic planning and execution processes relates to how many people contribute to the processes, and thus commit to the intended results.
- Lead with questions, not assertions.
- Ask for opinions—and be patient in waiting for replies.
- Recognize and reward—but make sure you are sincere.
- Write notes to those who performed well, extended you a courtesy, were recognized by others for achievements or may be in need of a boost—handwritten is best, typed all right, e-mail a weaker substitute, but still better than not noticing.
- Share credit—this should be easy as little is accomplished without significant help.
- Avoid building up false hope—optimism and encouragement are fine, but not when disingenuous (a form of a lie); people know when there is a real problem.
- If you err, acknowledge it and apologize—People accept that leaders are human too.
- Be yourself and truly enjoy the journey, many a night I would rather go home at 7 p.m., but then I so enjoy my time with students and faculty at the event that prevents that.

As I look back on my life and career, I realize how fortunate I am to have had many meaningful relationships. I truly appreciate the close friends I have made and hold dear the memories of happy times with them. I remember the joys of athletics and bonding with teammates, the excitement of overcoming huge challenges while working with administrative and faculty colleagues, the pride of attending graduations and other student-centered events over the decades, and the joy and simple fun of social gatherings such as those with Saint Leo faculty and staff on our periodic poker nights or golf outings. While those who know me recognize that I am not what one typically might call a "fun guy," it is my nature to be fairly serious and professional. But I believe that most would describe me as approachable, amiable, and caring.

Scott Peck suggested that in defining "community," we should restrict ourselves to a group of people who have learned to be open and honest with each other, whose relationships go beyond mere masks of composure, and who have made a significant commitment to celebrate together, to mourn together, and to delight in each other (Peck, 1987). I believe that the four cornerstones at Saint Leo University—mission, core values, vision and strategic planning, and accountability and execution—formed the foundation on which students, faculty, staff, and others, including me, created and maintained a true community with meaningful relationships that endure.

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Optimizing the Board–President Relationship: Best Practices That Make a Difference!

Eugene B. Habecker

Introduction

The search process is launched with the best of intentions. The board search committee is put together to set parameters and to ensure due diligence. The multiple documents and resumes provided by presidential candidates are reviewed, finalists determined, followed by multiple interviews, test-taking, and analyses. The choice is subsequently announced to great fanfare, followed by the usual pomp and circumstance of a presidential inauguration, everyone hoping for the best.

However, in less than 1 year, or 2, there is a board-initiated change. Not a change initiated because the faculty and staff are upset or because there are multiple complaints from other constituents. Rather, the person selected to great fanfare is terminated by the board. Organizational stability and chaos are often the result.

The resulting carefully parsed press release explanations sometimes read like this: "The person we hired ended up not being a good institutional fit" or "the person we interviewed and selected is not the person who showed up." Whatever the reasons, failed searches exact a high organizational price, both in terms of a dollar settlement, the deferral or delay in the pursuit of the university agenda, and in diminished confidence and trust the university community has in the board itself.

So what happened? One never knows for sure, but sometimes an important reason for either a short-term or failed presidency is that there ended up being a significant misalignment between the expectations of the board, on the one hand, and the expectations of the president hired, on the other. The Association of Governing Boards of Universities and Colleges (AGB) affirms the importance of this relationship: "One of the most important relationships in higher education is that between a president and his or her board" (Legon, 2015). The focus of this chapter is how to ensure a healthy board–president relationship so as to optimize the probability of both an effective and a long-term presidency.

Here are several best practices from among many others that potential presidents and boards need to consider.

Best Practice 1

The board should hire its president based primarily on its vision for the future, not the other way around.

While a new president brings vision for the organization, the primary or dominant institutional vision that informs presidential search needs to generate from the board, not from the new president. New presidents often bring important ideas about how that vision might be expanded or how it should be implemented, including suggested strategies to be used.

To be sure, there are times when a board has not attended to its organizational vision. As a result, presidential applicants are asked to weigh in with theirs. But for both the board and president, there is always the resulting risk that neither the board nor the president will embrace what the other thereafter develops. Again, the preferred scenario is to have the board be clear from the beginning about its purpose and vision and then pursue as president someone who can improve and implement it.

Often this is where difficulty in the board–president relationship begins. The board has a less than clear understanding of its organizational purpose, which leads to vagueness in the organization's vision for its future. It has failed to do the requisite assessments about the condition of the organization, including its strengths and weaknesses, or the opportunities and

threats it faces externally—all of which inform a resulting purpose and vision. As a result, sometimes a board is not quite sure what kind of a president is needed, so it hopes for the best. As a result, and from the beginning of the board–president relationship, there is lack of clarity on the board's part in terms of organization. Hence, a president is hired who tries to surmise that direction only to find too late that the board wanted to move in a different direction and/or at a different pace.

Effective universities and their boards are clear about the directions in which they desire to move prior to doing presidential search. Those boards seek a president who identifies first, with the board's vision, and then second, helps to make it better, suggesting the strategies and ways to implement it. This kind of board–president clarity and alignment is absolutely essential and is the place to begin.

Best Practice 2

The board should be clear from the outset about the role it intends for its president on the board—ex officio trustee or only a board employee.

Although clearly the president is the employee of the board, presidents are also asked to be members of the board because the board desires strong presidential leadership of the board. At the same time, the board expects its president to serve board interests, ahead of any others. Hence, presidents need to have clarity about when the board expects presidential leadership and when, and on what issues, followership is expected.

Wise boards recognize the key role of presidents in the role of orchestrating the multitude of complex relationships that define a modern university. The AGB states it this way: "Change in higher education requires leadership that is willing to take risks, build teams, and create the consensus needed to improve performance over many years. While many people contribute to this process, presidents play the single most important role." (Emphasis added) (AGB, 2014a, p. 9). This dance, that is, the knowing when to lead the board and when to follow it, is something that is learned and every board and every president knows this

reality. I would encourage boards to have presidents be a member of the board, with appropriate exclusion from meetings whenever presidential performance, service, and compensation are involved. Why?

In my first presidency (10 years), I was not a member of the board. While much was accomplished, discussions often were positioned as "me-them" discussions rather than as "we" discussions. In my second presidency (14 years), I was not a member of the board for the first two-thirds of my presidency but became a member of the board for the last third. That change catalyzed significant progress. In my current presidency (10 years), I have been a member of the board since I was appointed president. Simply put, there is a marked difference when a president can speak as a member of the board—"one of the things *we* as a board need to consider," as compared with "one of the things *you* as a board need to consider…."

Best Practice 3

There should be clarity of understanding between the board and president about what the board wants to accomplish and how it will share governance with the president.

There are multiple ways this is figured out on almost every campus and seldom is there a uniform approach. And there are multiple and diverse operating models and practices that have been developed over time. They may not be written down and they may not be in a board manual, but "everybody knows that's the way we do things around here." Unless of course, you happen to be the new president who is somehow trying to find his or her way in a new presidency. In brief, "all boards and presidents should have clear understandings of their respective roles and responsibilities." (AGB, 2014a, p. 18).

Carver & Carver (2009) have attempted to provide clarity to this often perceived ambiguity. The Carver model champions "policy governance" that encourages boards and presidents to have fully agreed "means and ends" documents, which clearly spell out the various areas where the president has authority and where the Board has authority. Clear differentiation

between board governance and president led management responsibilities is the key. Sometimes areas are identified where both the president and board have shared authority. These kinds of mutually agreed operating agreements, sometimes called board policy manuals, bring necessary clarity to helping navigate the board–president relationship. Clarity is always a good thing and I serve on boards that follow the Carver model, but the model also has its limitations in the university setting.

For instance, in a university, there is more to the governance-management dyad than just the board and the president. There is also the very important role that faculty play as necessary components of shared governance. However, getting agreement between ends and means in the board–president relationship takes far less time than getting alignment with the faculty and other constituencies. To be sure, clarity, with regard to the respective roles of stakeholders is important, and the Carvers' insistence on clarity is a good thing.

What I find limiting in the Carver model however is that strict insistence on ends/means boundaries often takes the heart out of board members who are brought to the board in the first place because of their love for the mission. In other words, where board members deal primarily or only with governance, rather than mission implementation, there is limited opportunity to connect with the organization's heart—its mission. Paradoxically, in the university world, it is those board members who are fully aligned with the heart of the mission who are often those most capable of giving the largest gifts. The result? Board philanthropy is more limited because strict ends limitations prevent board members from making a heart investment in the mission. The board–president relationship is enhanced when there is clarity not only about vision but also about how the board and president are to operate, and how governance is to be shared, if at all. Clarity on these matters is imperative.

I once received a call from a sitting president who was planning the installation event who remarked, "I may not make it to the installation." He proceeded to share the difficulties he was facing. The primary one? He and his board were totally misaligned, not about clarity of mission, on which there was agreement. Rather, the misalignment was about how that mission would be implemented and about how governance would

be shared. Simply put, there was not initial clarity on these matters. And, what both the board and president assumed they were in agreement about turned out not to be the reality. A failed presidency was the result. So what should be done?

In every situation regarding presidents and boards, they "should act as a team, with total transparency between the president and the board chair. They should have a good understanding of their roles and relationships, and work through inevitable tensions over the boundaries between the board and management when they rise" (Davis, 2014, p. 21).

Best Practice 4

The board and the president need to collaboratively agree about leadership direction, assigned responsibilities, and the president's annual work priorities.

Work assignments usually reside within a broader university vision, but annually, there must be a determination of what performance, what deliverables, the board expects of the president. The president takes the initiative in this process: "The chair and the president should sit down each year and go over the priorities that the president has set out. And they should discuss not only how the institution is doing, how the president is doing professionally, but also how the president is doing personally" (AGB, 2014b, p. 28). The president should never have to guess about how the board will define presidential success. Again, clarity in advance is helpful.

As one example, I take the position description that I was given by the board, and every year, during the summer months, I do two things. First, I do a narrative performance self-evaluation. I take each section of the position description and note not only the places where I think I have done well but also where I have struggled and what might need to change in a subsequent year. Second, I suggest possible changes in performance standards for the subsequent year. For instance, if work on a capital or building campaign has been completed, that comes off the previous year's description. This self-evaluation and possibly a revised

performance description is then reviewed by the university executive committee, which either affirms it or makes changes. This process minimizes surprises for both the board and the president. As someone has said, the best surprise is no surprise.

Best Practice 5

Boards and presidents together and collaboratively need to commit to the development of a university wide approach to shared governance.

A mutual commitment and understanding between the board and president about philosophies of shared governance is not always a part of the initial discussions between a board and president. It should be part of the early conversation. At some point, the shared governance issue will surface, and wise boards and presidents will attend to it. "The president and the board must be aligned with each other, but other stakeholders need to be engaged as well…and how the various constituents or stakeholders can contribute to it." (AGB, 2014b, p. 29) Why?

In the usual stresses and strains of how universities operate, situations will occur and decisions will be made, which will raise the question about whether a particular constituency's voice matters. I have observed this as a multi-constituency issue, with boards, presidents, the faculty, the staff, and sometimes students asking this question.

There have been multiple approaches, particularly from the AAUP and the AGB, to the idea of shared governance. For instance, early AAUP (1966) statements took the position of divided responsibilities, that is, where the faculty had certain responsibilities, management had theirs, as did the board. Bahls (2014, p. 25) reflects more current thinking about shared governance as a system for aligning priorities of stakeholders, rather than dividing responsibilities into functional silos.

Functionally, I have seen this played out in various ways. In my first presidency, various constituencies were given *ex officio* status on the board, including an alumni representative, community leader, and the student body president. I have known of other institutions where faculty members are appointed to serve on the board. Still others have faculty

members and other administrative leaders from other universities represented on their boards. In my current presidency, there are no student members, and faculty members from other institutions serve on the board. The faculty moderator is an invited guest.

Although there are multiple ways shared governance can work within a mix of diverse constituencies, it is important that the discussion about shared governance takes place on a timely, regular basis, and reflecting transparency on the part of the board and the president. Failure to do so often creates misunderstanding, confusion, and risks marginalization of overall university morale.

Best Practice 6

An effective board–presidential partnership collaboratively commits to building a strong board.

This is yet another task on which the board and the president need to be in agreement because a university seldom can move beyond the vision of its board. Oftentimes boards have multiple tenured members, whose performance is seldom evaluated and whose length of service seldom questioned. Yet organizations are dynamic entities that are constantly changing. Boards need to be in touch with those changes, or both the boards and the organizations they serve begin to atrophy. Building a strong board helps keep organizations strategically focused and missionally relevant. The president and the board have a role to play in this board-building process. And having clarity as to their respective roles regarding it is imperative.

Building a strong board in many ways is like building an orchestra. If the board desires to play the types of music that higher education orchestras need to perform, it cannot do that if it only has the equivalent of a wind section or a brass section or a string section. Rather, it needs diversity of people and functions and capacities to understand multiple perspectives and needs. Presidents and others can help identify those kinds of people, from alumni, community, business, and if a church-related institution, from that audience as well.

This shared board-building task can also be a somewhat paradoxical task because sometimes the temptation of the president is to select as board members only "those who think like them" and who are beholden to the president, the proverbial "yes men and women." This might lead to a perceived safer presidency, but it is doubtful that it leads to the development of a more effective university. Boards need to be able to clearly hold the president to the levels of accountability if they are to perform at their presidential best. A former consultant friend once observed that a key accountability question every leader must answer is this one: "Who can say no to you and make it stick?" For presidents, the board clearly has that role, a role that ought not to be comprised by inadequate board member selection influenced by favoritism.

Part of this board-building responsibility is also to suggest members who are prepared to make university board membership their highest board priority. As one board chairman put it, "if you were on this board, it was to be your most important nonprofit endeavor in terms of time and resources" (Davis, 2014, p. 21).

Having in place a meaningful and fully operational board management committee—sometimes called a committee on trustees—is also important to board building. This committee can play a key role, not only in the selection of the right members but also in the evaluation of the performance of current ones. Selection of the right members for the board presumes the existence of some kind of board grid that reflects future board needs and current gaps that exist in board composition. Gaps may exist in a variety of areas, including the absence of key functional skills, women and persons of color, persons of financial capacity, certain constituencies, or of multiple other categories.

Best Practice 7

The chair and the full board deserve to be kept fully informed by the president.

Each board–president partnership must be characterized by a communication pattern and strategy marked by trust. The board needs to have the

unambiguous sense that "the president will inform us in a timely way if it is important." More importantly, there needs to be an established pattern for communication that builds this confidence and maintains it.

There are multiple ways to do this, but whatever way is identified, this needs to be begun early in one's presidential tenure and then constantly improved upon. For instance, each board chair–president relationship is different. Some chairs prefer regular phone calls, maybe even weekly. Others desire regular communication in other formats, including various electronic formats. From the beginning, the chairman and president need to develop an understanding of what is mutually expected. I have found it helpful to include the vice-chair in this communication as well given our desire for a deep bench in terms of board leadership. Unfortunately, this is not a once-and-done exercise as board leadership is regularly changing.

With regard to the full board, at least every month or more often as needed, I provide a regular update on the university that highlights with words and photos important university activity, accomplishments, and issues. Important financial metrics are also included, such as major gifts and admission numbers, always matters of interest. This is done nine times a year. The other 3 months the board receives more extensive briefings and reports as part of thrice-annual board meetings.

Importantly, part of each board meeting includes a strategic briefing on three or four key emerging issues facing the board, matters not yet requiring a decision but which likely will. Our volunteer board likes to have an appropriate amount of time to reflect and ponder on issues before they must take action at some time in the future. Giving the board the right information at the right time in the right way is an important part of communication. Regular, timely, and strategic communication with the board is an important part of maintaining a healthy board–president relationship.

Conclusion

These several suggested best practices are not cure-alls for every board–president relationship that is ailing, but they can help in the effort to restore and maintain a "healthy board culture" and a vibrant board–
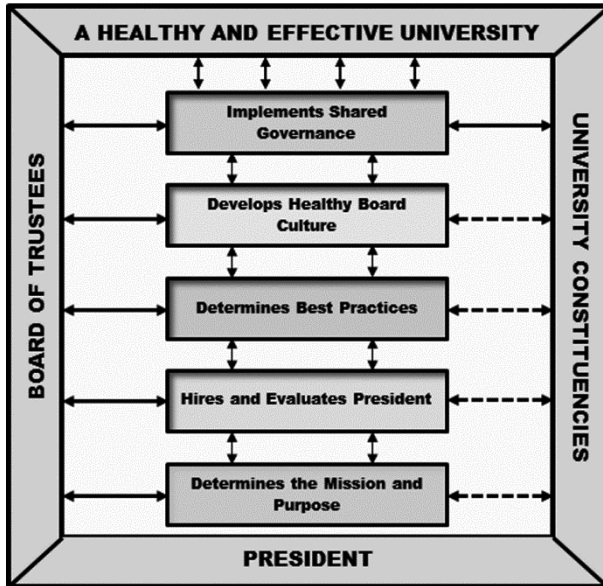
Figure 3.1 A model for optimizing board‑president effectiveness.

president relationship. I have included Figure 3.1 as an example of how these best practices might fit together within the context of how the board–president relationship becomes a key element of what ultimately is the hoped for result —a healthy and an effective university.

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CHAPTER 4

Pathways to Entrepreneurship in the Academe

J. Mark Munoz

Introduction

Originating from the French term *entreprendre* meaning *to undertake*, the term entrepreneurship has evolved to mean the practice of organizing and managing an enterprise under risk and uncertainty.

Perspectives associated with the term point out to a terminology detached from the traditional notion of the academe. It has been defined as the *pursuit of opportunity beyond resources controlled* (Stevenson et al., 1989); *engine of growth* (Audretsch, 2009); and driver of innovation, competitiveness, economic performance, and advancement (Schumpeter, 1934; Smelstor, 2007; Van Praag & Versloot, 2007). It is also associated with risk propensity (Brockhaus, 1980).

Entrepreneurship connotes a degree of change and experimentation. Its practice is often a concerted effort that is a deviation from established norms and standards (Rajan, 2012).

Given economic uncertainties, competition, and market evolution, it has been growingly important for business organizations and academic institutions to think and operate under new paradigms. In the quest for differentiation, several organizations that were bold and inventive were rewarded with success.

At its very core, entrepreneurship is anchored on practicality and common business sense. Entrepreneurs typically ask these key questions:

Where is the opportunity? How do I capitalize on it? What resources do I need? How do I gain control over them? What structure is best? (Stevenson & Gumbert, 1985).

It is oftentimes a quest toward management efficiency. Eisenmann (2013) indicated that entrepreneurship is anchored on a distinctive management approach and a tactics-driven pursuit of the management of risk and resources. An entrepreneur needs to find resources, manage risk, and create wealth (Hoque, 2014).

The author aimed to find answers the following questions: *Why are many academic institutions slow in identifying and capturing opportunities? How is it that many universities are not as nimble as small and medium enterprises and private corporations? Can and should the academe be entrepreneurial?*

In an effort to find answers, the author sought the viewpoints of thought experts in entrepreneurship across the United States. The interviews are quoted in their entirety, and an analysis is presented at the end of the chapter.

Viewpoints on Entrepreneurship in the Academe

Based on a set of interview questions created by the author, experts on entrepreneurship shared their viewpoints on entrepreneurship in the academe. The interview transcripts are presented in an alphabetical order.

Interview 1: Sharon Alpi, Director of the Center for Entrepreneurship, Tabor School of Business, Millikin University

1. In your view, how entrepreneurial are today's educational institutions? On a scale of 1–5 (5 being the highest), how would you rate the extent in which entrepreneurship is practiced in colleges and universities?
   I think there is a vast difference between the "how" entrepreneurship is practiced in colleges and universities and the "E offerings" in the curriculum. I would like to think that entrepreneurship and an entrepreneurial mindset are part of the thinking and problem solving of most academic institutions, but my experience suggests that in reality,

creativity and innovation aren't as prevalent as we would like or need. Even in the face of declining enrollments and revenues, institutions tend to be risk averse. I would rank the "how" a 2 or 3. The "E offerings" are becoming more and more prevalent and even in some cases, entire schools of entrepreneurship are being created. I would rank this as a 5.

2. Is an entrepreneurial mindset relevant in colleges and universities today? Why or why not?

   I think it is very relevant. In fact, more and more schools are taking entrepreneurship out of the classroom and into their communities through extended outreach and youth entrepreneurship programs. The landscape for attracting students to an institution and retaining them is as competitive as ever and programs that help students find ways to the university campus are going to continue to be important. That will demand that new thinking and ways of owning the curriculum will have to be explored in order to retain and attract students.

3. If you were a consultant advising a university president on how to create an entrepreneurial organization, what would you recommend? What five key attributes should an entrepreneurial university possess?

   Creating an Eco System for Entrepreneurial thought and action would be a priority. (1) it is about the people and their ability to think, reason, act, and innovate; (2) incent problem solving and creativity by performance metrics that make impact; (3) recognize and lift up new ways of doing that demonstrate success; (4) procrastination in decision making is paralyzing and demoralizing, make decisions when needed and then adjust if necessary along the way; and (5) admit mistakes, make adjustments, and operate in an open and transparent manner. Privilege ownership in everything.

4. What are the barriers to the practice of entrepreneurship in academic institutions?

   (1) Thought leaders that think they have all the answers and (2) strategic plans. If leadership surrounds itself with good thinking, creative and innovative people, they should take advantage of their opinions

and give weight to their ideas. Strategic plans all too often become the "only" plan, and once instituted, it becomes too difficult to change, even though the economy, events, or disruptions beg for a different process or plan.

5. In order to further entrepreneurship, what personal attributes do you think academic leaders should have?

   They should be humble, transparent, and exhibit confidence. They should be able to make decisions quickly, make the tough decisions, but be able to move away and change directions when needed. Above all they should be able to be trusted and be good stewards of resources— both human and dollars. They should be competent, not arrogant, and open to suggestions and change.

6. What are the best entrepreneurial practices you have seen in an academic setting?

   When leadership "owns" the role and responsibility of the offices they hold. The worse is when it is always someone else's fault or actions that cause pain and difficulty for the institution. When decisions are called for, they are made in a timely and just manner. When innovative and creative solutions are seen as a viable option, move forward. When a major redirection is called for, bring the best people to the table to work through the process for a resolution.

7. Who should be practicing entrepreneurship in the academe?

   I suppose the answer is everyone, but in particular, leadership at all levels: President, Provost, Deans, and VP's. Creating an entrepreneurial culture is important and one that needs to be nurtured and encouraged by leadership and by faculty, which sometimes can be the hardest. Our incentive system in the academy for promotion and tenure doesn't really support taking risk and being innovative unless leadership makes entrepreneurial thought and action a priority.

8. As an expert in entrepreneurship and member of the academic community, what do you think is the future of entrepreneurship in the academe?

   I personally think it has great value and will continue to be so more than ever in this era of economic disruption and fragmentation of student interest and population. More than ever, students want to be co-creators of

their learning and we must be able to meet them where they are in that process. We will need to have varied models for learning and for teaching, which will require adaptation of teaching and scholarly styles as well as facilities that support many different learning environments.

Interview 2: Candida G. Brush, Franklin W. Olin Distinguished Chair of Entrepreneurship, Research Director-Arthur M. Blank Center, Babson College

1. In your view, how entrepreneurial are today's educational institutions? On a scale of 1–5 (5 being the highest), how would you rate the extent in which entrepreneurship is practiced in colleges and universities?

   The extent of entrepreneurship among educational institutions would be about 1.5 in a 5-point scale. The entrepreneurial propensity is dependent on the type of institution. For instance, public institutions tend to be highly regulated by the government, while private institutions have more leeway to be entrepreneurial. The institutions funding sources can shape institutional activities and entrepreneurial mindsets. The operating framework of institutions can impact entrepreneurial tendencies. For instance, public universities may have to deal with unions. Community colleges may have to deal with policies that limit their flexibility. Many academic institutions need to deal with internal and external restrictions that set limits on what they can or cannot do.

2. Is an entrepreneurial mindset relevant in colleges and universities today? Why or why not?

   Yes, but it depends on the school's strategy. It also depends on the school's traditional operating framework. Entrepreneurship may be relevant for some and not necessarily relevant for all. An entrepreneurial mindset may work in some engineering schools, but the same approach may not be relevant in a medical school. Relevance of entrepreneurship would largely depend on the institutional focus.

3. If you were a consultant advising a university president on how to create an entrepreneurial organization, what would you recommend? What five key attributes should an entrepreneurial university possess?

   I would start by understanding the purpose of the institution. A science university would have a different purpose with that of a community college. Objectives need to be clarified. What is the school really doing? The institutional environment needs to be explored to discover where entrepreneurship can be nurtured. Where are opportunities in the system where it can be implemented and implemented well? Where are degrees of freedom and experimentation possible? Entrepreneurship needs to be well defined. What does it really mean to the institution? Who can be the champions of the process? Someone has to believe in it and everyone has to be on the same page. Babson College has been teaching entrepreneurship since 1978. We have built a brand around entrepreneurship. We have visitors from different colleges who visit our campus to try to be like our college. The truth is, you can't just become an entrepreneurial institution. You need to take incremental steps.

4. What are the barriers to the practice of entrepreneurship in academic institutions?

   Governance, funding sources, institutional practices, and incentive system can be barriers. Whether or not your institution is unionized shapes what can or cannot be done. The policies and structures of an institution influence where the rewards are. Are employees rewarded for entrepreneurial ideas? Are they rewarded for doing a great job in the classroom? Are they rewarded for productivity? Where the rewards and incentive systems drive innovation?. Performance reviews can become both barriers and opportunities.

5. In order to further entrepreneurship, what personal attributes do you think academic leaders should have?

   In my view, entrepreneurship is more of a skill rather than a trait. It can be taught. It doesn't reside in a set of traits, but rather on a perspective or cognition. Academic leaders need to cultivate entrepreneurial skills, and see what's possible. The chosen approach needs to be in line with the school's mission.

6. What are the best entrepreneurial practices you have seen in an academic setting?

Practices can come in different forms—how faculty is hired, how training and development is done, and how business development is pursued among many others. It is essential to have a clear strategy. At Babson, we are small school with 3,700 students with the primary mission of educating entrepreneurial leaders with entrepreneurial values. Our strategy is aligned. The faculty, staff, and curriculum are aligned with the mission. Everybody is aligned with the mission.

For educational institutions, there is no right or wrong way. Some institutions can be truly entrepreneurial. Other institutions require other strategies. Certain divisions within an institution can be entrepreneurial. For a large public university, entrepreneurship can be cultivated at the business school or a media lab. In a private college, perhaps a Center for Entrepreneurship can be a hub for entrepreneurial initiatives.

7. Who should be practicing entrepreneurship in the academe?

It depends on their strategy. It differs across institutions depending on their funding source and goals.

8. As an expert in entrepreneurship and member of the academic community, what do you think is the future of entrepreneurship in the academe?

Institutions are partly shaped by their type of accreditation. In our business school, an AACSB accreditation requires that the curriculum is aligned with student needs and demands. As a school we are fortunate to be a part of a vibrant Boston entrepreneurship ecosystem that is in line with our school's mission and goals.

For other institutions, it largely depends on their specialization. Are they engineering focused? sciences? communication? where are they located? what is the supporting ecosystem like?

As for the future of entrepreneurship in the academe, a key question is: is it always good? It may be good for some, but not the right approach for others. For some institutions an entrepreneurial mindset is perfect, for others an administrative-type behavior may be the best. Some institutions would need a high dose of entrepreneurship to survive, and others do not need it at all.

Interview 3: Scott R. Petersen, Managing Director, Rollins Center for Entrepreneurship and Technology, Marriott School of Management, Brigham Young University

1. In your view, how entrepreneurial are today's educational institutions? On a scale of 1–5 (5 being the highest), how would you rate the extent in which entrepreneurship is practiced in colleges and universities?

   Without seeking to be disparaging, entrepreneurial spirit and METHOD are essentially dead in the vast majority of all global universities. Just as is the case with many fortune 500 companies where legacy systems make innovation difficult within the corporation, similar legacy systems—such as tenure—prevent true innovation. More focus is placed on the status quo, protecting jobs, etc., than on creating new, innovative methods to truly teach, educate, and arm with skill the rising generation. A general education, whatever its merits, is too expensive for the average student without skills and some experience also part of the collegiate experience.

2. Is an entrepreneurial mindset relevant in colleges and universities today? Why or why not?

   I believe it is exceptionally relevant. I think economic forces will dictate the future of universities and I believe those who do not innovate and change course will flounder.

3. If you were a consultant advising a university president on how to create an entrepreneurial organization, what would you recommend? What five key attributes should an entrepreneurial university possess?

   1. *Vision... where do you hope to go, who do you hope to be? Since you can't be excellent at everything, what will you be known for?*
   2. *Leadership style and culture... the days of siloed universities, non-collaboration between colleges and departments, duplicated resources, top down, autocratic direction, etc., may soon be over.*
   3. *Key performance metrics that are developed in collaboration, measured, reported on, and where accountabilities ensure a greater likelihood of achievement.*
   4. *A culture of innovation and change to the benefit of the students—an aim to lower education costs.*

5.   *Unseat academic pride and remove political and ideological forces from the classroom, favoring instead objective research and observation of actual outcomes of various public policies.*

6.   *Before significant government dollars are spent on research, the questions should first be asked, "does anyone care? how is the public benefitted? can it likely be commercialized for the benefit of many? and is there accountability for the outcome of dollars spent to the public?... among other questions!"*

4. What are the barriers to the practice of entrepreneurship in academic institutions?

   Headwinds from the current, professorial academic status quo. Currently, there is not a marriage between academia and practitioners who are often viewed as the "dark side."

5. In order to further entrepreneurship, what personal attributes do you think academic leaders should have?

   Become students themselves in the real processes of entrepreneurial thought, of the "lean startup" movement, of the idea that entrepreneurship is, in its best definition: discovering the answers to unknown, unproven, and untested models—favoring the Francis Bacon approach of an "expurgation of knowledge" and making induction and deduction part of the future model of education, bringing education out of the middle ages and into the modern world.

6. What are the best entrepreneurial practices you have seen in an academic setting?

   (1) a senior leader in administration that is respected, (2) the correct teaching of entrepreneurship, (3) collaboration with the startup community for events and networking, (4) healthy competitions, correctly done, that inspire participation, (5) a significant mentoring program with rock-star role models committed to help student startups, and (6) a healthy collaboration between colleges and departments also committed to innovation and helping students wishing to pursue entrepreneurial endeavors.

7. Who should be practicing entrepreneurship in the academe?

   In principle, everyone... but practically: administration, the B school, entrepreneurship centers, and engineering... among others.

8. As an expert in entrepreneurship and member of the academic community, what do you think is the future of entrepreneurship in the academe?
Probably quite bright...

Interview 4: Stewart Thornhill, Executive Director, Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies, Professor of Business Administration, University of Michigan

1. In your view, how entrepreneurial are today's educational institutions? On a scale of 1–5 (5 being the highest), how would you rate the extent in which entrepreneurship is practiced in colleges and universities?
Probably lower than 1. There are a few bright spots that are exceptions. For instance, the Centers for Entrepreneurship across the country tend to practice what they preach. In most cases, institutions such as academic institutions and the military tend to be resistant to change.

2. Is an entrepreneurial mindset relevant in colleges and universities today? Why or why not?
It has to be. I can't imagine administrators neglecting their competition or the growth of online education and similar challenges. There needs to be a transformation in the industry. There has to be a push for innovation and quality. In the academe, there are high end and prestige institutions, there are also low-end, high-volume discount institutions. A great majority are in the middle. Those in the middle face a very high need to differentiate and implement disruptive approaches.

3. If you were a consultant advising a university president on how to create an entrepreneurial organization, what would you recommend? What five key attributes should an entrepreneurial university possess?
They would need to think about "How would you transform a culture?" Change needs to happen and has to be well-aligned with the vision, mission, goals and what's desirable. The academe is such that there is little in the culture and incentive system to drive change. Values have to be transformed. At the moment, most academic institutions place high value on teaching and publications. There is little reason and motivation to change.

4. What are the barriers to the practice of entrepreneurship in academic institutions?

   There is zero incentive to engage in entrepreneurship. Many institutions focus on research and publications. There is little tolerance for risk.

5. In order to further entrepreneurship, what personal attributes do you think academic leaders should have?

   They need to be skilled in turnaround management. They need to set a clear vision and cultivate a new mindset and behavior. They need to have the ability to lead people and be personally committed to change.

6. What are the best entrepreneurial practices you have seen in an academic setting?

   Entrepreneurship institutes tend to be well funded and have a degree of autonomy. This scenario allows experimentation and the courage to take risk. Traditional academic institutions tend to punish failure, are risk averse and stifle experimentation. The best practices I've seen where those in organizations where members can pursue dreams and take chances.

7. Who should be practicing entrepreneurship in the academe?

   Those in leadership roles should strive to make a cultural change. Typically, those in academia don't like the pressure of the real world. It does not provide a foundation for an entrepreneurial culture. The key considerations are: how does one create an entrepreneurial culture? How can one attract entrepreneurs into its fold? A growing number of academic institutions are taking in clinical faculty and practitioners to teach in the classrooms. In our center for entrepreneurship, the ratio of practitioners to traditional academics is now at 60:40. The environment is evolving and mindsets are shifting. The more entrepreneurs you have in your learning community, the higher the likelihood for change.

8. As an expert in entrepreneurship and member of the academic community, what do you think is the future of entrepreneurship in the academe?

   The key challenge of entrepreneurship is that it is not widely accepted as a legitimate discipline compared to the traditional field of studies such

as Management, Marketing, Accounting, or Finance. Much change still needs to happen for entrepreneurship to be viewed alongside the more traditional fields. Until such time, the full potential of the entrepreneurial spirit in the academe cannot be optimized. While entrepreneurship interest is growing, there has to be a change in the nature of conversations and a much broader picture has to be perceived.

Interview 5: Dianne H.B. Welsh, Ph.D., Hayes Distinguished Professor of Entrepreneurship, Director of the Entrepreneurship Cross-Disciplinary Program, Bryan School of Business and Economics, University of North Carolina Greensboro

1. In your view, how entrepreneurial are today's educational institutions? On a scale of 1–5 (5 being the highest), how would you rate the extent in which entrepreneurship is practiced in colleges and universities?

   There is a great deal of variance in the entrepreneurial propensity of educational institutions. As holder of three endowed chairs and having created one of the most comprehensive cross-campus entrepreneurship programs in the country that includes 48 courses in 26 departments/programs as well as a entrepreneurship center and program office on the campus. I have been actively engaged in entrepreneurship. I would give it a current rating of 2 but emphasize that they need to be in the 4–5 range for all levels and sizes of Higher Education Institutions (HEIs). With the challenges HEIs are facing, they must become more entrepreneurial. I outlined 23 challenges that HEIs are facing in the first chapter of my book, Cross-Disciplinary Entrepreneurship: A Practical Guide for a Campus Wide Program published by Palgrave-MacMillan, December 2014.

2. Is an entrepreneurial mindset relevant in colleges and universities today? Why or why not?

   Absolutely, it has never been more relevant with the challenges colleges and universities face. It is more than just an entrepreneurial mindset that colleges and universities must embrace today. It is an entrepreneurial mindset and skillset. They must practice entrepreneurship, not only

in their thinking, but their actions. Administrators must be trained in entrepreneurship knowledge to practice it. There is a discipline behind it, and it must be learned first then applied.

3. If you were a consultant advising a university president on how to create an entrepreneurial organization, what would you recommend? What five key attributes should an entrepreneurial university possess?

   As I have outlined in my book, Cross-Disciplinary Entrepreneurship: A Practical Guide for a Campus Wide Program, the ability to embrace change, the ability to react quickly and make changes, the ability to recognize the niche the organization fills, the ability to communicate in all channels consistently and constantly, and the ability to reward and recognize the people that make your organization great consistently and constantly.

4. What are the barriers to the practice of entrepreneurship in academic institutions?

   The barriers that have been erected constantly since the organization began. All generations erect barriers. Academia is notorious as an institution for erecting barriers. Just think at the structures of universities— they are built on colleges, schools, and departments in the schools, then programs or centers within departments and schools. Therefore, it is harder for academic institutions to embrace the practice of entrepreneurship without changing the very structure and core of the university. Entrepreneurship is without barriers and borders. It must be embraced by the campus community and beyond its walls to include alumni and those that give to the campus in multiple ways.

5. In order to further entrepreneurship, what personal attributes do you think academic leaders should have?

   Academic leaders must be creative, innovative, and entrepreneurial. Innovation in itself is not worthwhile, it must be put into action through entrepreneurship. One of the biggest problems academia has is its concept of time, which is not in real world denominations. Innovation to entrepreneurship must be done in real world time.

6. What are the best entrepreneurial practices you have seen in an academic setting?

   The best entrepreneurial practices I have seen are encompassed in cross-disciplinary entrepreneurship programs where entrepreneurship skills are blended with the specific discipline, and taught. This is not just entrepreneurial mindset but skillset and then taking those skills into practice. This involves getting the entire campus energized permanently, not just for the short term. Much of academic ideas are taken short-term and then replaced when something else comes along. Entrepreneurship must be practiced at all levels for the life of the university.

7. Who should be practicing entrepreneurship in the academe?

   Everyone should practice entrepreneurship but it must be taught at all levels. There is a misconception about entrepreneurship that somehow a person can just embrace entrepreneurship and by divine providence they will understand it and practice it. It must be taught and continually practiced with ongoing education. Ideas must be taken to innovations to entrepreneurship and action by academe.

8. As an expert in entrepreneurship and member of the academic community, what do you think is the future of entrepreneurship in the academe?

   It will change academe as we know it today and the future. It will not go away. The students are the ultimate consumer and customer, and they demand it.

Analysis of the Expert Viewpoints

Table 4.1 shows highlights of the interview findings.

Table 4.1 Expert Perspectives on Entrepreneurship in the Academe

Entrepreneurial Dimension	Responses
Entrepreneurial extent	"2 or 3," "1.5" entrepreneurial propensity depends on the institution type, "dead," tenure systems prevent innovation, emphasis on status quo and job protection, lower than "1," "2" and need to be in the 4 or 5 levels

Entrepreneurial Dimension	Responses
Relevance	Very relevant and an opportunity for community outreach, opportunity for student recruitment and retention, needs to be anchored on institution's strategy, focus and operating framework, exceptionally relevant, needs to be relevant—can't neglect competition or growth sectors, need to transformative, need to differentiate, need entrepreneurial mindset and skillset, administrators need to be trained to practice it
Essential attributes	Create an ecosystem for entrepreneurial thought and action, incentivize problem solving and creativity, recognize and support innovative behavior, make prompt decisions, admit mistakes and make adjustments, linked with institutional purpose, deliberate, targeted and planned entrepreneurial approach, take incremental steps, vision, leadership style and culture, performance metrics, culture of innovation and change, unseat academic pride, political and ideological forces, focus on impact and benefit to the public, facilitate cultural and values transformation, embrace change, react quickly, recognize niche, communicate effectively, reward and recognize people consistently and constantly
Barriers to practice	Administrators who think they have all the answers, strategic plans that limit flexibility, governance, funding sources, institutional practices, incentive systems, professional academic status quo, practitioners viewed as the "dark side", zero incentive to engage in entrepreneurship, low tolerance for risk, structural and organizational barriers
Essential attributes	Humble, transparent, exhibit confidence, make quick decisions, prepared to make tough choices, can change directions, trustworthy, good stewards of resources, competent, cultivate entrepreneurial skills, alignment with mission, become students of entrepreneurial thought, discover answers to unknown, unproven, and untested models, skilled in turnaround management, set clear vision, cultivate new mindsets and behavior, lead people and change, creative innovative, entrepreneurial
Best practices	Leaders that own role and responsibility, timely decision making, open to innovation and creativity, utilize the best people, hiring of people, training and development, and business development, strategic alignment, varies according to type of institution, respected leadership, effective entrepreneurial teaching, collaboration and networking, healthy competition, collaboration with other colleges and departments, centers of entrepreneurship that are well funded and have a degree of autonomy, experimentation, courage to take risk, cross-disciplinary approach, skill building, energize campus permanently, practiced at all levels
Implementing party	Everyone, leaders (President, Provost, VPs, and Deans), dependent upon strategy, administrators, business school, centers

Entrepreneurial Dimension	Responses
	for entrepreneurship, and engineering department, needs to be taught and practiced throughout the institution, needs to be a continuous effort
Future path	Will continue to offer significant value specially with economic disruption and fragmentation of student interest and population, actions shaped by accreditation, supported by an ecosystem, degree and extent of entrepreneurship may vary across institutions, bright future ahead, need to be accepted as a legitimate discipline, need to change the nature of conversations and view a broader picture, continue to grow since students demand it

The survey findings point out to important implications to academic institutions and leaders.

Entrepreneurial thinking and action. The interviewed experts indicated that entrepreneurial tendency is low for academic institutions. There is room to learn more about entrepreneurial mindsets and develop relevant skillsets to respond to challenges and opportunities confronting the academe. In fact, Babson College uses the term "entrepreneurial thought and action" to describe its institutional mindset.

Entrepreneurial assessment. Entrepreneurial approaches are not for every institution. There is value in assessing organizational systems and structure to identify fit as well as key areas where "pockets" of entrepreneurship may be cultivated. For institutions that fit the mold for entrepreneurship, a holistic and well-coordinated plan of action would prove advantageous.

Structural and systemic change. In order to optimize the benefits associated with entrepreneurship, organizations need to restructure and reframe operational modes. The strategic plan, policies and procedures, and traditional organizational frameworks need to be subject to revision. These changes need to be transformative and dynamic in nature, and lead to a cultural shift.

Operational efficiencies. The conducted interviews suggest that desirable entrepreneurial attributes and best practices in the academe are driven by a quest for business efficiency and profitability. At its

core, this is what every organization, including educational institutions aspire for.

Concerted effort. Creating an entrepreneurial organization is not a solo act, but rather an orchestra performance. For an entrepreneurship to flourish, the entire organization needs to support its effort. Aside from cooperation from within, there also needs to be an alignment with a broader external ecosystem where the institution exists. Efforts need to be supported by relevant stakeholders including the Board, local schools, business community, and the government.

A model for the enhancement of entrepreneurial practice in academic settings is presented in Figure 4.1.

The above model points out to the fact that with proper planning and preparation, an enterprising approach in the academe is possible.
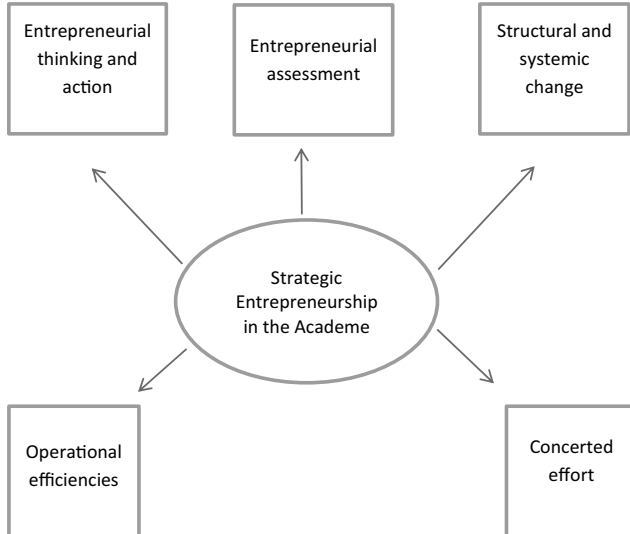
Figure 4.1 Model for strategic entrepreneurship in the academe.

Taking the Entrepreneurial Path

There is a gateway toward entrepreneurship in the academe. An important approach is to plan the journey and have the courage to take the first steps. Identification of opportunity, intent to pursue, and confidence to succeed are essential to the entrepreneurial process (Stevenson & Jarillo, 1990).

While endemic risks do exist, they can be minimized. Eisenmann (2013) identified four approaches to reduce risk even with limited resources: (1) creating a "minimum viable product," (2) staged investing, (3) strategic partnering, and (4) story-telling or cultivating a powerful vision that rally stakeholders support.

More importantly, journey supporters and well-wishers are essential. A forward-looking vision along with a culture for exploration of the unknown heightens the chances of success. Entrepreneurial preparation includes: (1) determining barriers, (2) minimizing risks for individual entrepreneurship, (3) exploiting resources, and (4) tailoring reward systems (Stevenson & Gumpert, 1985).

There is no one straight path toward successful entrepreneurship in the academe, as in the case of individuals and organizations, it is anchored on uniqueness and individuality (Hoque, 2014). Regardless of the road one decides to take, there is a high likelihood that entrepreneurship will be the trade winds that will quell many challenges and unleash opportunities.

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Evaluating the Impact of Social Networks on the University's Public Engagement

Letizia Lo Presti and Vittoria Marino

Introduction

Nowadays, the role of higher education institutions is considered crucial for the social and economic involvement of the territory. Universities are more and more involved in the process of developing and diffusing knowledge besides academy.

The term "public engagement"—sometimes referred as *civic engagement*, *community engagement*, *community outreach*, *community–university partnership*, *knowledge exchange*, etc.—implies the connection and dialogue of the universities, with a variety of publics that might have an interest in the universities' activities (teaching, research, and services).

For Hart and Northmore (2011), public engagement is a multidimensional construct that concerns all stakeholders, not just students and staff but also local communities, profit and nonprofit organizations, etc. Thus, the definition of public engagement provided by the Association of Commonwealth Universities in 2001 seems befitting: public engagement "implies strenuous, thoughtful, argumentative interaction with the non-university world in at least four spheres: setting universities' aims, purposes and priorities; relating teaching and learning to the wider world; the back-and-forth dialogue between researchers and practitioners; and taking on wider responsibilities as neighbors and citizens" (Hart & Northmore, 2011 p. 15).

Since public engagement implies that universities listen and interact with their internal and external communities, social networks look like valuable tools for strengthening the engagement with all stakeholders; indeed simplicity, speed and diffusion of social networks may favor the creation of an effective bridge between research, teaching, and public services by increasing the possibility of stimulating the dialogue between and with the public.

Nowadays, several universities own an official account in the main social networks (i.e., Facebook, Twitter, and LinkedIn), and also have other kinds of profiles managed either by departments' or by students' associations (e.g., The King's College of London has an official account in Facebook, and other accounts for its departments such as the Department of Philosophy or the Department of Management). Thus, it is of interest to study the ability of these new channels of communication to involve the public by investigating which type of content seems to be more effective in engaging all the stakeholder categories.

Our research aims at providing practical tools to manage social networks while exploiting their potentiality in engaging stakeholders. In this chapter, we present a method to gauge if social networks are valid tools for community involvement by two indicators: the retweetability rate and the likeability rate.

We apply our method to an empirical case study where we analyze a systematic sample of European Universities in order to investigate which content has a higher probability of engaging the stakeholders.

On the basis of our empirical study, we propose a matrix of the possible uses of social networks in higher education with respect to public engagement, and we formulate advices to the university's communicators for improving the effectiveness of the university's public engagement.

Evolution of Public Engagement in Higher Education by Social Media

The social and economic role of the University was investigated in several past works (Boyer, 1996; Kerr, 2001; Kirp, 2009; Onyx, 2008). This topic has been formerly discussed in Boyer (1996) where, by talking about "scholarship engagement," it was pointed out how university campuses are not islands far away from political, social, and economic issues; instead, campuses forge and generate novel solutions and ideas.

By the "triple helix" model, Etzkowitz and Leydesdorff (2000) supported the idea that, together with government and firms, universities are essentials for the competitiveness and development of the territory in which they live and serve. By coining the term "Multiversity," Kerr (2001) highlighted the multiple roles and goals of universities within the society.

It is also believed that an "engaged campus" allows a university to reach the tripartite mission: research, teaching, and public service (Furco, 2010), and that a relationship between universities and "internal" (students, researchers, staff, and faculties) and "external" communities (firms, nonprofit organization, and local and national institutions) will have a mutual benefit for both the university and the local community (Schuetze, 2012). Therefore, in recent years, several universities are moving in this direction. Especially in United States, United Kingdom, and Australia, universities have concretely realized a lot of public engagement activities, for example, *Cambridge Science Festival*; *Festival of Ideas* at Cambridge University, *Fellowships & Internships community focused*, *Community Service Work-Study* at MIT in Massachusetts; *SELP—Social Engagement and Leadership Program*—at University of Western Sydney, *Moreton Bay Marine Wildlife Conservation Project*, at Griffith University, and so on (Australian Government, 2012).

To involve the stakeholder targets, effective dialogic strategies and channels of communication are crucial. In this sense, social media can be considered useful tools to establish constructive relationships among people because they are easy to use, immediate, and free.

Besides opening their own account on the major social networks, some universities have also created website hubs to collect their social network pages (see the MIT website to get an idea of website hub). Others have implemented their own social tools, for example, the "SUSD Community," an experimental social network by Sausug Union School District that is similar to Facebook (Roblyer et al., 2010).

By interviewing a group of university communicators, Kelleher and Sweetser (2012) identify two main communicators' motivations for adopting social media in their communication plans. The first reason is that social media are immediate, easy to use, and diffused both in a desktop and in a mobile version; the second reason is more practical: social media permit to reach the target in every part of the world (Kelleher &

Sweetser, 2012). At the same time, Kelleher and Sweetser highlight some limitations—considered barriers—to the use of social media in the universities, such as the control of the channel, the time dedicated to manage the channel, and the content of the message.

Speaking about the use of social networks as a networking tool, Rekhter (2013) underlines that recruitment offices have not enough competences to develop content that would be relevant and interesting to domestic and international students. The effectiveness of social networks' websites for the higher education marketing is heavily connected to the countries' specific Internet penetration rate (Rekhter, 2013, p. 150).

The raising tendency to be socially connected justifies the use of social media as a marketing tool. Students spend a lot of time on Internet for social communication: they spend 101 minutes on Facebook and check it about 6 times per day (Junco, 2011). Being on a social network is a "must" as well as an opportunity for higher education institutions. Students desire to be connected to their campus (Ratliff, 2011) and are more opened than faculties to use Facebook in class (Roblyer et al., 2010), even if currently they use social networks in academic activities only for resolving query about the exams or finding out what has been covered in class during non-attendance (Gómez et al., 2012). Because of the peculiar features of these social media, previous works explored the effect that social networks have overall on the college students' engagement (Junco, 2011; Junco et al., 2010), whereas relatively little research captures the effect on the community engagement. Linvill et al. (2012) explored how the major universities and colleges in United States use Twitter as a communication tool focusing on which stakeholders were targeted. This study complained an unsatisfactory dialogic use of Twitter. Gordon and Berhow (2009) analyzed the types of communication on a sample of American universities' official websites, highlighting the differences between National Universities and Liberal Arts Colleges. At the best of our knowledge, there are no works yet they study the importance of social media in increasing the public engagement among the stakeholders. Higher education administrators have the opportunity to capitalize on social media in order to create relationships, retention, and engagement (Ratliff, 2011; Stoller, 2011), and disseminate information that might engage publics.

Moreover, it seems that each social network has a specific public relation function within Higher Education: Facebook can be used to encourage a sense of community by creating groups where members can join and communicate each other about common interests; Twitter can be used to share current news, campus happenings, and useful tips (Howard et al., 2014).

But how and why should universities and colleges react to these big data? According several authors, colleges and universities have at least four options for responding to the social networking phenomenon: distancing oneself; monitoring conversations; setting up one's own user group; and creating a companion website (Williams, 2013, pp. 12–13).

Social networking tools are better used when they are employed strategically and with a specific intent. It is also necessary to understand the outcomes of the social media use and what to do with the collected data. Lovari and Giglietto (2012), for example, develop a "university social media performing index" to evaluate the use of social media by the Institutions without human interactions. However, a higher control of the tools in terms of published content and target of the communication is in general required. Skues and Williams (2011) propose a Learning Management System as interface between the university and the Internet.

Even if there are works that discuss student engagement (Junco, 2011; Junco et al., 2010; Rutherford, 2010), how communication administrators use social media like a marketing tool (Kelleher & Sweetser, 2012), how staff and faculties use social media to engage an interactive dialogue with students (Frey et al., 2013; Roblyer et al., 2010), there is a lack of studies that investigate the use of social media from a public engagement point of view.

Frey et al. (2013) proposed a method to evaluate the success of the communication in Facebook by measuring the user engagement with respect to different aspects of the activities on the social media. They underline how certain content characteristics—such as photos and links in the posts—have a significant correlation with the user engagement. However, the authors do not investigate user engagement with respect to stakeholder categories, nor they compare results of their analysis across social networks.

Thus, because of the increasing importance of social media in Higher Education, and considering the actual lack of standard methods for evaluating the impact of social network-based communication on universities' public engagement, in the following sections we present two measures—the retweetability rate for Twitter and the likeability rate for Facebook—that may be used to gauge the effectiveness of the content posted by the universities on their public accounts.

A Method to Evaluate the Effectiveness of University Public Engagement on Social Media

Since this work aims at exploring the effectiveness of the content posted on the social network in engaging stakeholder, we study the relation between universities' tweets/retweets and post/repost in Twitter and Facebook, respectively. We propose a method to evaluate the ability of a social network to be a valid tool for community involvement by two indicators: retweetability and likeability rates.

These indicators aim at measuring the effectiveness of the communication of a set of categories of messages. Each category is a class of messages based on specific criteria. Such criteria might consider time, accounts, hashtags, domain, etc. We refer to these classes as to either content categories or communication modalities. In this work, we have applied the indicators to five communication categories to analyze what type of content has high probability to be broadcasted in Twitter/Facebook (see the next section for the criteria used to cluster the content) and which stakeholder category is addressed.

The retweetability rate proposed in Suh et al. (2010) is defined as "the retweet number divided by the tweet number." We then normalized the rate, so that a value of 1.0 represents the average retweet rate on tweets (Suh et al., 2010, p. 181). While Suh et al. (2010) use the retweetability rate to study how the information is diffused in Twitter based on the domains and hashtags included in the posts, we propose to extend and generalize its definition to communication categories.

The retweetability rate of the tweet class (R rate$_{tw}$) is calculated (1) as the ratio between Follower's retweet (*FW*rtw^x) and Universities' Tweet (Uni*tw^x*) for each content category (x) multiplied by a normalization factor (*Z*). *Z* is calculated as the ratio between the sum (∑) of the Universities' tweets (*CM*tw^k) and the sum (∑) of the Followers' retweets (*FW*rtw^k).

$$\text{R rate}_{tw} = (FW\text{rtw}^x / CM\text{tw}^x) \times Z$$
$$Z = \sum\nolimits_{k=C} CM\text{tw}^k / \sum\nolimits_{k=C} FW\text{rtw}^k \tag{1}$$

Inspired by the retweetability rate, we propose and define a likeability rate (L rate) over the "post" class to analyze how the information is diffused in Facebook. The *L rate* was calculated (2) as the ratio between "I Like" (ILike^x) and Universities' post (Uni*fb^x*) for each content category (x) multiplied by a normalization factor (*Z*). *Z* is calculated as the ratio between the sum (∑) of the Universities' posts (Uni*fb^k*) and the sum (∑) of the Friends' I Like (I Like^k).

$$\text{L rate}_{fb} = (\text{ILike}^x / \text{Uni}fb^x) \times Z$$
$$Z = \sum\nolimits_{k=C} \text{Uni}fb^k / \sum\nolimits_{k=C} \text{ILike}^k \tag{2}$$

Hence, for each content category, we compute the retweetability rate of the Universities' tweets as the number of followers' retweets divided by the number of Universities' tweets, and the likeability rate of the Universities' posts as the number of "I Like" divided by the number of Universities' posts. For each class, the normalization factor is computed as the ratio between the total number of Universities tweets/posts and the total number of followers' retweets/friends' posts across all categories.

The proposed method is general and can be adopted to analyze the content broadcasted in any other social network (i.e., Youtube, Instogram, etc.). Moreover, the possibility of defining criteria for identifying content categories ensures flexibility to the method by allowing the analyst to focus on specific aspect of interest.

European Universities and Public Engagement on Social Media

Methodology

Even if social media are diffusing in higher education institutions, in EU Universities the use of social media is at an initial stage (Costantinides & Stagno, 2011). Therefore, it is of interest to investigate if there is some form of public engagement in the EU Universitie' institutional accounts on the major social networks. A systematic sample of European Universities was drawn from the comprehensive list of universities found in the online edition of "Ranking web universities 2013–2014". Every ninth university listed in the European University rankings was chosen for inclusion in the study.

The universities that were found in all of the three social networks or that were found at least in Facebook and in Twitter were included in the sample. The final sample was composed of the first 50 universities.

To analyze which content type the sampled universities posted on their accounts, we conducted a content analysis of the last 10 Tweets and 10 Facebook posts published by October 2014, for a total of 1,000 messages. By content analysis, we classify the messages into five communication categories: *information sharing*, *multimedia*, *fanship*, *interactivity*, and *promotion* (Table 5.1). These categories have been adapted from those defined in Hambrick et al. (2010). They are the result of an empirical research conducted to study the web user's motivation toward the consultation of online bulletins in the sport sector (Clavio, 2008).

Table 5.1 How Messages in Twitter and Facebook Have Been Classified into Communication Categories

Communication Categories	Meaning	Example
Information sharing	Messages with the intent to inform followers or friends	"Urgent problems with all-student email. We're really sorry for the current problems with mass spam sent to student email accounts. The all-student email list has been closed down and we are investigating further" (from the Facebook page of UCL University).

Communication Categories	Meaning	Example
Multimedia	Messages with images or videos	"Following on from yesterday's exciting news, watch Nobel Prize winner Professor John O'Keefe explain his fascinating work in this video…" (from the Facebook page of UCL University).
Fanship	Exhortations, exclamations and posts stimulating public and/or internal Community "support", and creating "sense of community"	"Congratulations to Tim Barnes of @UCL Advances shortlisted for Entrepreneurs Champion of the Year" (from UCL University's Twitter account).
Interactivity	Messages for stimulating the interaction with followers and friends	"It's nearly the weekend, so time for a quiz!...Can you identify which UCL building holds this railing?" (from the Facebook page of UCL University).
Promotion	Messages that promote an event or activity involving the community	"Lunch plans today? pop along to UCL at 1.15pm for a FREE 40 min talk on the power of #placebo http://bit.ly/1oP6NLt @School_Pharmacy" (from UCL University's Twitter account).

Source: adapted by Hambrick et al. (2010).

As for the stakeholders to whom each message was addressed, they have been classified into four categories: Student, People, University Community, and Staff (Table 5.2). These stakeholder categories have been adapted by the National Coordinating Center for Public Engagement's report (NCCPE, 2012) and by some contributions that analyze the stakeholders addressed by higher education's websites (Linvill et al., 2012; O'Connor et al., 2011).

To guarantee a more objective classification of the collected messages, two persons have analyzed the posts and discussed any divergences. A reliability test was performed for the category and stakeholder classification by means of the Cohen's kappa, providing score of 0.87 and 0.83, respectively.

Table 5.2 Stakeholder Classification

Stakeholder Category	Meaning
Student	It represents potential and current students
People	It represents the external community and includes citizens, institutions, profit and nonprofit organizations, etc., which could have an interest in the university's activities
University Community	It represents the community within the university campus
Staff	It represents all people that work inside and outside the campus and collaborate to the improvement of the quality of the campus life

Source: NCCPE (2012); Linvill et al. (2012); O'Connor et al. (2011).

Results

Content analysis permits to analyze how the European universities use social networks (see the first graph of Figure 5.1). The most used communication category is Information Sharing. It is more used in Twitter than in Facebook. The second most used category is Promotion, which is present more in Facebook rather than in Twitter. The other categories seem to be used in a similar way in both the social networks. There are very few messages aiming at interacting with the stakeholders. Overall, it emerges a different use of the two social networks: Twitter is used more to share information; Facebook is used more to promote events.

Looking at the stakeholder to whom the message could be addressed (see the second graph of Figure 5.1), it seems that students and internal community (university community) are the major recipients of the posts, and this is true especially in Facebook. People and staff, who are a large part of the public to whom universities' public activities are usually addressed, seem to be little considered in the published content.
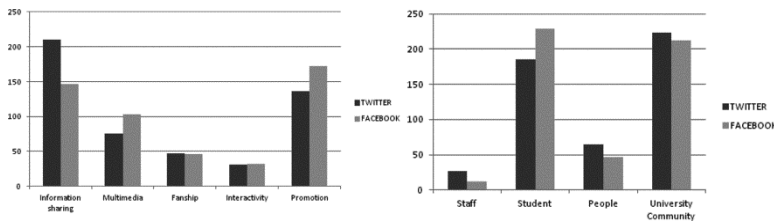
Figure 5.1 Communication categories in Twitter and Facebook.

However, which content categories are addressed to each stakeholder category? Figure 5.2 shows a map of the communication categories with respect to the stakeholder categories in Twitter and in Facebook obtained by correspondence analysis, which is an exploratory tool used to analyze relationships between two sets of categorical variables. In particular, correspondence analysis decomposes the chi-squared statistic associated with the contingency table of categorical data into orthogonal factors. We use it to show the relationships between both rows (communications categories) and columns (stakeholders) (Ivy, 2001). The figure shows how the stakeholders are in relation to the communication categories. In Twitter and in Facebook promotional messages are addressed mostly to students.

Fanship and Multimedia categories in both the social networks are strongly associated to the University Community. Through photos, videos, and talking about the campus life, messages stimulating the public and their "support" try to create a "sense of community" within the internal community.

This association might indicate a use of the social network to increase the university identity by pointing to the "stay in the community" concept thanks also to multimedia content. Finally, information sharing and interactivity seem associated to staff and people. Furthermore, in Twitter, Staff is strongly associated with the interactivity category. Overall, it is possible to hypothesize that, in both Twitter and Facebook, messages are mapped in a similar way and there is nothing diversity in the use of social networks.
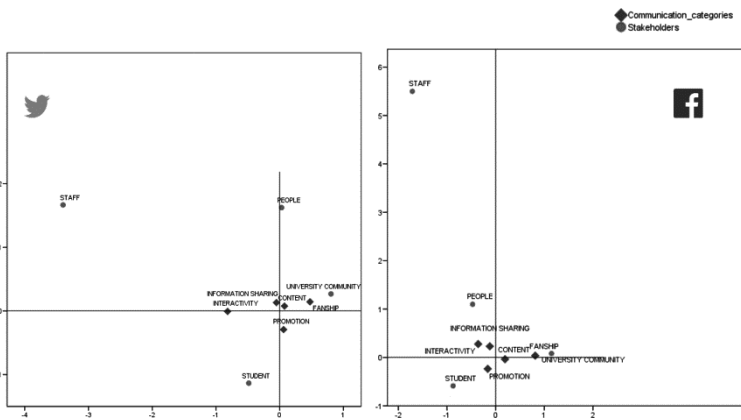
Figure 5.2 Maps of the communication categories and stakeholders in Twitter and Facebook.

To evaluate the social networks' ability of involving the community, an analysis of the retweet and the "I Like" was conducted by computing the retweetability and likeability rates illustrated above.

This analysis aims at measuring the impact of the social media–based communication on the public engagement and, as a consequence, it permits to evaluate if European Universities are oriented toward public engagement, and which social network seems more effective in broadcasting the published content (see Table 5.3), with respect to the stakeholder category to whom the message was addressed (see Table 5.4).

These rates gauge the probability that a post in a certain category can be liked or retweeted. Table 5.3 reports the P-value of the Fisher's exact test, the retweetability rate, and the likeability rate. There are significant relations between the number of tweet/post and the number of their retweet/"I Like" in all the categories both in Twitter and Facebook, with the only exception of the "Multimedia" and "Promotion" categories on Twitter. The highest retweetability and likeability rates resulted in the "Multimedia" and "Fanship" categories (retweetability: 1.2 and 1.99; likeability: 1.14 and 2.71, respectively). These categories usually collect contents related to emotion and experience, both essential components of the engagement construct. The category "Promotion" seems to have little chance to engage followers/fans, especially in Facebook (retweetability: 0.75, likeability: 0.41). Low probability of engagement is also noticeable in the category "Interactivity" (retweetability: 0.75; likeability: 0.62). The category "Information sharing" seems to be more engaging in Facebook (1.14) than in Twitter (0.97), even if it is the most retweeted category.

Finally, looking at the stakeholder to whom the communication seems to have been addressed (Table 5.4), in Twitter, the content addressed to Staff and Students is more likely to be retweeted than in Facebook, while in Facebook the likelihood that a content can receive an "I Like" is higher for messages addressed to the entire University Community.

Thus, the two social networks, albeit with some differences, are used as tools to disseminate information, multimedia content, and promotion; the target of the communication seems to be mostly the University Community, and Students. Yet, few posts are addressed to "People" and to Staff. Comparing the two social networks (Twitter and Facebook), the

Table 5.3 Retweetability Rate and Likeability Rate across Communication Categories

	Information sharing	Multimedia	Fanship	Interactivity	Promo
N. of tweets	210	76	47	31	136
% of tweets	42%	15%	9%	6%	27%
N. of retweets	552	209	253	63	277
% of retweets	41%	15%	19%	5%	20%
P(Fisher's exact test)	0.000**	0.190	0.000**	0.001**	0.148
Retweetability rate	**0.97**	**1.02**	**1.99**	**0.75**	**0.75**
N. of post	147	103	46	32	172
% of post	29%	21%	9%	6%	34%
N. of I like	3,895	2,722	2,894	457	1,631
% of I like	34%	23%	25%	4%	14%
P(Fisher's exact test)	0.043**	0.072*	0.023**	0.000**	0.010**
Likeability rate	**1.14**	**1.14**	**2.71**	**0.62**	**0.41**

*$P < 0.05$.
**$P < 0.01$.

Table 5.4 Retweetability Rate and Likeability Rate across Stakeholder Categories

	Staff	Student	People	University Community
N. of tweets	27	185	65	223
% of tweets	5%	37%	13%	45%
N. of retweets	75	572	164	543
% of retweets	6%	42%	12%	40%
P(Fisher's exact test)	0.000**	0.009**	0.007**	0.004**
Retweetability rate	**1.03**	**1.14**	**0.93**	**0.90**
N. of posts	12	229	47	212
% of posts	2%	46%	9%	42%
N. of I like	84	3,902	630	6,983
% of I like	1%	34%	5%	60%
P(Fisher's exact test)	0.000**	0.000**	0.000**	0.251
Likeability rate	**0.30**	**0.73**	**0.58**	**1.42**

*$P < 0.05$.
**$P < 0.01$.

most effective tool to involve the University Community seems to be Facebook, especially when the messages are related to "word-of-mouth" information, multimedia content, or the "University brand" concept; Twitter seems to be more engaging when the messages are of interest to Students and Staff, especially if related to the "Multimedia" or "Fanship" categories.

To adopt social media as a public engagement tool, public engagement must be part of the organization's culture, and not just an intention in the University Statute (Cavallo & Romenti, 2012). Social networks were supposed to connect people to others and with the organizations, but they are a tool that can be used better to build relationship (Kent, 2013) based on "bridging approach" (Grunig, 2009; Kim & Kim, 2015).

Based on the communication categories (information messages or interactive messages) and a target of the communication (internal community or full community), it is possible to obtain a 2 × 2 matrix of the four feasible approaches to use social networks in higher education institutions (Figure 5.3).

| | | Communication categories | |
		Informational message (Information Sharing and Promotion)	Interactive message (Fanship, Multimedia, Interactivity)
Stakeholders	Internal community (Student, Staff, Faculties)	Static social network	Reinforce university brand
	Whole community (Student, Staff, Faculties, profit and nonprofit organizations; public and local institutions, etc.)	Spotlight social network	Public engagement

Figure 5.3 Matrix use of content with respect to the stakeholders.

- *Static social network:* Social networks are used only as a "bulletin board" addressed to the internal community (staff, student, and university community);
- *Spotlight social network:* Social networks websites are used as a showcase to promote events and share information;
- *Reinforce the university brand:* Social networks are used to broadcast a "sense of community" around the University brand by using multimedia content, interactive language style, and a two-way communication;
- *Public engagement:* Social networks are used to communicate with all the stakeholders by means of a form of communication that increases the stakeholders' involvement and interaction. Multimedia content is used to concretely testify the universities' activities toward the public.

The empirical research on European universities seems to show that European universities are using social network as a tool to reinforce the University brand but not to engage the whole community (internal and external).

Conclusions

The widespread use of social networks within the universities reveals the necessity of verifying to what extent social networks are effective tools for engaging and interacting with the public from a public engagement point of view. In order to measure the effectiveness of the content broadcasted to the public by the social media, this chapter has proposed and defined indicators of the level of stakeholder engagement with respect to specific content categories. In particular, two indicators named retweetability and likeability rates are used to measure the impact of each communication modality on the stakeholder categories in Twitter and Facebook, respectively. However, our indicators can also be used for the analysis of any other social network; by our method, an analysis will be able to study the aspects of greater interest by focusing on the most suitable content and stakeholder categories.

The proposed indexes are useful for two reasons: they make a snapshot of the current content engagement and they highlight potential correctives necessary to foster "public engagement."

We applied our method to a real case study: the analysis of public engagement in Twitter and Facebook in a sample of European universities. We found that the two social networks, albeit with some differences, are used as tools to disseminate information, multimedia content, and promotion. The communication addresses mostly the university community and students, but the messages stimulating re-posting (Multimedia and Fanship categories) have more probability to be broadcasted through the network and are actually able to create additional value (in terms of viral opportunities of the messages and engaged publics) and to reinforce the university brand. In Facebook, also the content posted to inform has a high probability to engage the public. This confirms that Facebook fulfills all the possible functions of a channel: inform, entertain, dialogue, and share (see Table 5.5).

Table 5.5 Suggestions for Improving the Public Engagement Inside Social Networks

	Twitter		Facebook	
	Observation	Suggestion	Observation	Suggestion
Message	Not all Communication categories are two-way propagation tool	Try to make the channel more exclusive	Even if the engagement is realized through fanship information sharing and Multimedia, the interactive and promotional communication do not work	Check the quality of the messages (engaging and appropriate)
	Two-way communication is stimulated by Fanship and Multimedia categories	Choose appropriate multimedia content		
Stakeholder	If the message is addressed to student and staff it has a higher	Use the tool to post messages addressed to civil society	Only the messages addressed to the University community have	Think to all the stakeholders and adapt the

	Twitter		Facebook	
	Observation	Suggestion	Observation	Suggestion
	probability to be retweeted	and formulate engaging message for University community	higher probability to be broadcasted	message to the target

These results confirm what has been pointed out in Frey et al. (2013) that posts about the campus life and sharing university experiences stimulate high engagement. Moreover, the authors confirm the necessity to maintain the contact with the users by posting personal and emotional messages containing image, photos, and texts that give a "sense of community." By looking at the public engagement issue, we validated these assumptions and demonstrated them on the field. Public engagement in the European universities by means of social networks is not complete. However, European universities are on the road of using social networks as a tool of engagement thanks to the ability of some communication categories of engaging the public.

However, it is necessary to formulate new public relations strategies for public engagement in order to improve the relationship management. In this sense, some suggestions for stimulating public engagement in Higher Education Institutions through social network are listed below:

- Consider all the publics: who will read the message?
- Adapt the content to the stakeholder and to the channel: Is the stakeholder really interested to the message?
- Plan and manage the flow of the conversations to engage all stakeholders
- Hire staff dedicated to the interaction with publics
- Think carefully to the function of a message: what reaction do we want to stimulate?
- Manage the social network as a marketing strategic tool
- Communicate in stakeholder-centric way
- Have a culture oriented to public engagement
- Diversify social network use based on target and message to post

We think that social networks should not be reduced to a dissemination channel; instead they already proved to be powerful tools for increasing the relationship between universities and stakeholders, especially in the public engagement context. Every higher education's department can perform the kind of analysis proposed in this chapter, and tune the published content on the basis of the relationship goals that the department wants to have with its stakeholder.

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CHAPTER 6

Business and Academic Linkages: The Case of Georgia

Kakha Shengelia and Shalva Machavariani

Networking between universities and the business community is an essential component for higher education networks to be connected with corporate world. Universities around the world are striving to create organizational or corporate linkages, and explore innovative ways to connect their students and projects with relevant universities, companies, professionals, and experts. On the basis of their personal experiences, the authors describe the ways in which a university in Georgia has become part of global network, and share recommendations on how to succeed and benefit from the partnerships and collaborations.

The role of the university as a qualitative combination of educational and research components is enormous in the formation of society and for the successful development of a country. Nowadays, many modern organizations demand graduated students, with creativity and worthy intellect. According to Drucker (1999), the specialist who is engaged in intellectual pursuits is the constant capital of the organization, since successful work of the organization depends on the knowledge of employees, creative potential, and professionalism. According to Bologna process,[1] Europe's progress and its competitiveness are determined by university education and by high degree of research. This view is shared by Georgia as well, where the priorities of university education and scientific research are determined by the active law (Law of Georgia on Higher Education, 2004), but there is much to be accomplished to gain qualitative unity.

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[1] http://www.ond.vlaanderen.be/hogeronderwijs/bologna/

The Importance of Networking between Universities and Business

In recommendations worked out by the Bank for Reconstruction and Development, in collaboration with the World Bank in Georgia, improvement of scientific component is considered prioritized direction for evaluating highly rated universities (Salmi, 2009).

The importance of scientific research for getting qualitative education is clearly specified by international grade conversions. It should be taken into consideration that, the educational process in modern universities is oriented toward scientific research. Currently, too many universities have the aim of fulfilling "Research Oriented Study," because it is impossible to form competitive, creative specialist, without involving them in scientific research.[2] The experience of the world's leading universities reveals that the main condition for their success is increasing scientific research potential, which has actual pragmatic meaning, with basic portion of modern universities income received by commercialization of scientific product (EFMD Annual Report, 2008). Under global competitive conditions, innovative ideas from universities, scientific research product, and qualified consultation become vitally important for business development. On the one hand, this kind of connection assists successful work of business; on the other hand, it gives a great opportunity for getting solid funding to universities, fulfilling scientific and educational processes on much more higher level. According to research in Georgia, there is insignificant interest between business (basically small and medium) and university science (Machavariani, 2008), which impacts not only on their successful working but also on social and economic environment in the country. Practice shows that economic development is basically determined by successful work of micro, small, and standard business. For example, in the United States, micro, small, and medium business comprises 54% of production, employs 55% of employees, and creates 66%[3] new workplaces. According to National Statistics office of Georgia, on December 1, 2013, 557,379

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[2] Knowledge and Research Issues, http://www.jstor.org/discover/10.2307/3250961?uid=2&uid=4&sid=21101070482013

[3] http://www.sba.gov/content/small-business-trends

persons[4] have registered in different sectors of the Georgian economy; from them, only 112,937 were actively involved in employment (20.3% of registered people). Most of the businesses are busy by the trade and occupation (11.9%). It should be highlighted that in 2014, in Georgia, 46% of population and 55.6% of employees live in the country. At the same time, the agriculture sector comprises 0.7%[5] of businesses, which make 8.4%, of the whole production. It shows the effectiveness of agri-business (Machavariani, 2013). Non-equal development in Georgia is also shown by large-scale production, where 8%[6] of registered enterprises produce more than 80% of production. In comparison, the amount of small and medium businesses in European Integration Countries is 99.8% (Table 6.1) of active business, employees are 67.1%, and they have created 57.9%[7] of added value.

Data shown in the table reveal weak development of small and medium enterprises in Georgia and show their less effective activities and low competitiveness. The bolded numbers in Table 6.1 highlights the difference in the performance of Georgia compared to EU countries in the context of volume, size, and value. Based on the research made in Caucasus

Table 6.1 General Data about Small and Medium Business in Georgia and EU Countries

European Union Countries	Amount of Small and Medium Enterprises	Employees in Small and Medium Enterprises (%)	Added Value Made in These Enterprises (%)
Germany	99.5	60.1	53.2
France	99.8	61.4	48.8
Czech	99.7	68.2	55.4
Estonia	99.6	78.4	74.9
Average of EU's 26 countries	99.8	67.1	57.9
Georgia	92.0	45.6	21.8

[4] http://www.geostat.ge/?action=page&p_id=469&lang=geo

[5] http://www.geostat.ge/?action=page&p_id=151&lang=geo

[6] http://www.geostat.ge/?action=page&p_id=145&lang=geo

[7] http://ec.europa.eu/enterprise/policies/sme/files/craft/sme_perf_rewiew/doc_pdf

University in the Project "IncoNet Ca/SC"[8] in 2010–2013, we may conclude that one of the reasons of low innovative potential is university science's weak networking with small and medium business. The nonfinancing of research by enterprises disturbs development of university science and inhibits the increase of competitiveness of business. This leads to the minimal transfer of modern knowledge and innovative findings from science into business. Nowadays, innovation is considered as a key ingredient for business development. Because of this reason, it is acknowledged as the basis of the state of politics in Europe (EU Facts, 2010; Research and Entrepreneurship: A New Innovation Strategy for Europe, 2008). Although according to the "Global Competitiveness Report," Georgia's rating has increased from 77th place to 72, its innovative potential is quite low and takes 122nd place (Schwab, 2014). Compared with the previous year's index, it improved seven levels, but the result is still not enviable. By Archimedes Foundation's financed project,[9] where researchers from Caucasus University participated, it has revealed that there are other reasons that disturb the development of small and medium business: not having the innovative strategy in the country, lack of high technological organizations, nonexisting business accelerators to initiate business, poor infrastructure, lack of useful knowledge for running organizations, not having enough wages for purchasing modern technologies, etc. In 2010–2011, the International Financial Cooperation (IFC) and Agency of International Development in United States (USAID)[10] uncovered problems that hinder the work of entrepreneurs of small and medium business enterprises in Georgia. The study revealed that challenges include:

- frequent changing of legislation (73%),
- difficulty in finding wages for business (70%),
- high mortgage demand and rates of percentage (85%),
- ineffective system of venture business insurance (75%)

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[8] Seventh Framework Programme, Project: "IncoNet Ca/SC", Grant agreement #244417, 2010–2013.

[9] The Archimedes Foundation, Project: "Analysis of Existing Georgian Key Technologies", 2006–2007

[10] http://www.for.ge/view.php?for_id=8109&cat=1

To solve these complex problems, there is a need to use systematic approaches: working out the state politics for tightly linking business, science and higher education to each other; implementing innovative strategy; working out the foundations to assist business in gaining credit and financing access; organizing a reliable system of business insurance; forming various directions for business; creating business incubators and centers of innovation and competence ; structuring for knowledge transfers; establishing banks of innovative ideas; and creating enterprises focused on high technology.

Function of Business Support System

Business Support Systems are productive, scientific, educational clusters that stimulate innovation and increase competitiveness. Business support structures represent some kind of a "bridge" that connects business, science, and learning.

The business support system:

- helps business increase its competitiveness and create additional workplaces.
- cultivates business and scientific organizations in the formation and strengthening of new enterprises (both small and medium).
- provides innovative production commercialization leading to increases in financial opportunities for the universities and scientific sectors and supports the development of university science.
- helps students be engaged in the process and gain knowledge and skills to make them qualified specialists.

Business Incubator is the essential element for supporting business structures. According to its aim, there are single profiling;; multiple profiling; and technological, mixed, and virtual types of business incubators. Incubators may be found in technological and scientific parks. In Figure 6.1, increases in the number of business incubators worldwide are shown.

Number of Business Incubators Worldwide
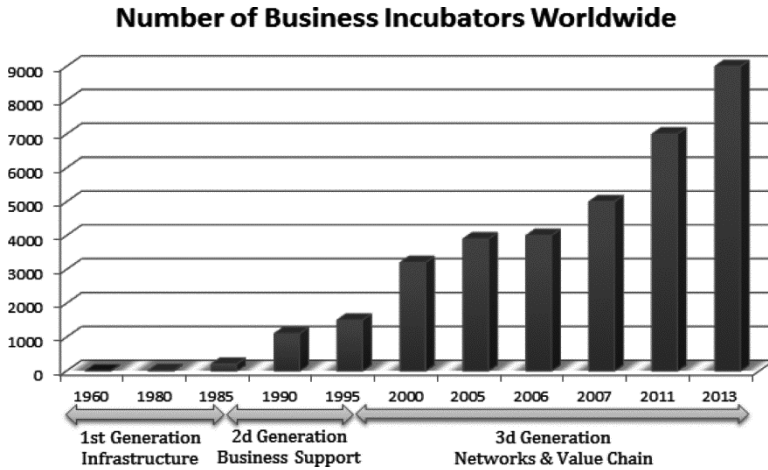
Figure 6.1 Expansion in the number of business incubators.

The application of business incubators is broad (Business Incubators, 2014). It is used in every economic sector. Business incubators especially are demanded by enterprises such as processing industries, construction, agribusiness, and tourism. They are typically in the form of small- and medium-sized businesses.

Innovative Centers are common in universities and scientific institutions. Their basic function, based on business demands, is to create a favorable environment for various innovations (productive, processing, technological, organizational, marketing, strategic) and their preparation for commercialization.

Competitiveness (or Competence) Centers are mainly formed by central and local government to learn new markets, inform, and develop consulting businesses.

Banks of Innovative Ideas are created to accumulate interesting ideas for business, systematizing, and delivering them to consumers. They are formed by universities and other interested organizations, to find and exchange business ideas. Aside from innovative centers and university, business incubators have connections with the local and foreign entities, patent organizations, and private organizations.

Lately, there is an increasing amount of businesses that support virtual platforms, which transfer knowledge at a distance for small and

medium businesses using modern informational technologies (Virtual Business Incubation Services, 2011). Their function is to provide trouble-free accessibility to innovation centers, banks of innovative ideas, competitive and competence centers, and other similar organizations.

International practice reveals that universities, corporations, local government organizations, private personnel, different types of businesses, and nonprofit maker organizations are excellent support structures (Business Incubation, 2014). Business support structures have proven to be successful in European Union Countries (Liargovas, 2013).

Effective Business Supportive System's Model in Georgia

Currently, in Georgia there are several business incubators, but only one of them—a business incubator in Batumi,[11] financed by UNDP in 2009—meets the full criteria of a business incubator. Until now, its service is used by about 15 enterprises that are in the process of business incubation. At the same time, it should be emphasized that, the business incubator in Batumi does not have bank of ideas, innovation center, and direct connection with universities. Due to this, it does not have an influence on university science and the development of the educational processes. Also, it cannot support the creation of innovations for increasing business' competitiveness.

According to the effective usage of business support structures, Estonian achievements are mostly accountable for Georgia (Riga, 2012). It should be noted that Tallinn Technological University's[12] fruitful relationship with Tallinn's Technopol,[13] with support of the university's students, helps them become qualified specialists. In 2009, "Open Society" by financing Georgian and Estonian offices, within East-East program, held trainings by Caucasus University's specialists in six business incubators[14] of Estonia to

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[11] Batumi Business Incubator, http://www.bbi.ge/

[12] Tallinn Technology Universitety, http://www.ttu.ee/en

[13] Tehnopol, http://www.tehnopol.ee/en

[14] EE Program, I Step: "Training of Georgian experts with the help of the specialists of Tallinn University of Technology in order to commercialize innovation technologies and organize business incubators", 2009.

get experience for supporting small and medium business. In 2010, with the support of Tallinn Technological University and Technopol's specialists, seminars were held in Tbilisi and Qobuleti, where small and medium business representatives acknowledged working benefits[15] of modern business incubators and the existing opportunities of incubation. It should be noted that, business support structures work well in European Union Countries (Liargovas, 2013). These structures cause increase in quality of higher education, higher scientific potential, and the creation of new workplaces and development of the economy.

On the basis of research findings in international locations, Figure 6.2 presents a business support system that is adjusted to Georgia's conditions (Machavariani, 2012).

University

Participating in Incubation Process

Business Links

Insurance

Innovative Center

Venture Foundation

Business Incubator

Competence Center

Bank of Ideas

Bank System

Small and Medium Business

Various Contact Organizations
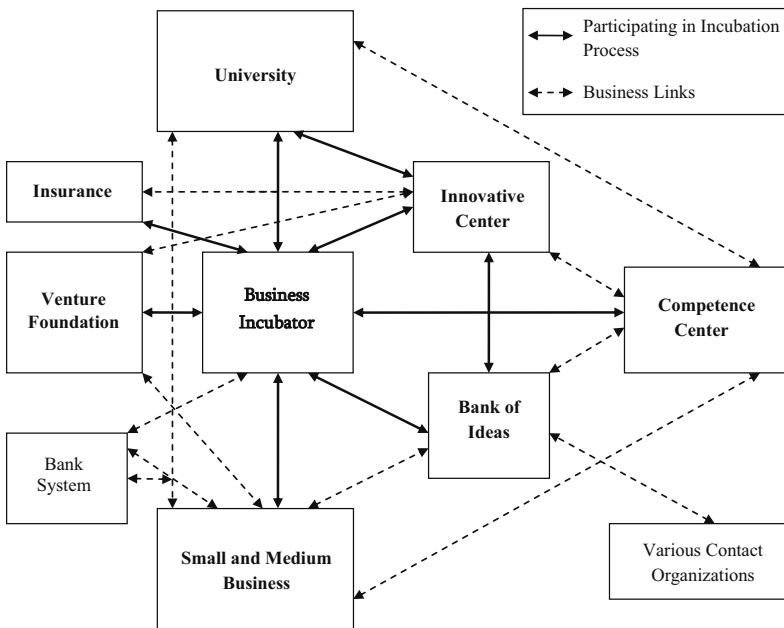
Figure 6.2 General model of Business Support System.

Conclusion

One of the crucial opportunities for stimulating scientific work and increasing quality of education in Georgian universities is the establishment of tight partnership with business.

By integrating effective business support systems, many problems (i.e., low innovative potential, low financing of university's applied science, low involvement of students and academic personnel in scientific process, low competitiveness of small and standard business, high unemployment, and low amount of workplaces) can be solved.

The presented model for Business Support System is adapted to the existing conditions in Georgia and with its establishment desirable result can be gained.

With the Business Support System's model, there is a need to work out state politics to link business, science, and higher education tightly. There is also a need to implement innovative strategy, work out business support funds, make the financial banking system credit friendly, and to facilitate a reliable system for business insurance. It should be noted that there have been some steps made in Georgia to create an effective business support environment. In 2012, a governmental program was launched called "Strong, Democratic, for United Georgia." On June 25, 2010, by resolution of Georgia's government, "Georgia's Regional Development 2010-2017 State Strategy" was formed. An active plan has been developed in 2011–2014, which is equivalent to a state strategy. Georgia's Education and Science Development Office created a strategic plan. The Ministry of Economy and Sustainable Development of Georgia made a decision to form technological parks and relevant centers. These developments provide a framework for an effective business system that supports the complex issues of higher education and the development of science and business in Georgia. It also provides a window of opportunity for academic institutions to tap into these changes to further their goals and heighten community engagement.

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Quad-Helix Engagement for City and Regional Development: The Role of Universities in Governance, Leadership, and Management

Thandwa Z. Mthembu

Introduction

There may still be lingering contestations about the nature, role, and function of the 21st-century "postmodern" university. As Smith and Webster (1997, p. 37) suggest, "the state of equilibrium at a time when chaos prevails cannot easily be reached." Fortunately, the contestations are no longer supercilious, exclusivist, and discriminatory against engagement, but are more about what form, type, and focus it should take.

This chapter, therefore, alights from an unequivocal position that the role and function of a university, besides teaching/learning and research/innovation, are also about engagement. Moving further on from the concept of Triple-Helix partnerships, the chapter introduces the concept of Quad-Helix partnerships, which sees the broader civil society and its organs as active co-participants and not just passive recipients of city and regional development. Without support and recognized legitimacy from the broader civil society, the leadership of the Triple Helix shall remain compromised, with suboptimal outcomes and impacts. Thus, the Quad-Helix concept helps to emphasize that the broader civil society, which largely sits outside the Triple Helix, should not just be on

board but has to be active co-participants and has to feel and experience the outcomes and impacts of those Triple-Helix partnerships. To this effect, a model is presented for creating a sustainable ecosystem of governance, leadership, and management in the Quad-Helix complex. Space could not allow an exploration of other building blocks of the ecosystem. These include curriculum initiatives that universities could embark upon to ensure that there is a critical mass of students and staff with an entrepreneurial spirit and attitude to translate research and innovations into products and services that help the city's and the region's economy to grow.

Some Philosophical and Practical Dimensions of Engagement

Engagement of whatever form is now not just accepted but is, according to Bjarnason and Coldstream (2003, p. 48, 211), a "core value" of any university regardless of institutional focus and type.

At a more philosophical level, some of the contestations are about whether the university should be fundamentalist versus instrumentalist (e.g., Bloland, 1995; Bok, 2003; Washburn, 2008); socialistic versus entrepreneurial or even academically capitalist (e.g., Smith & Webster, 1997; Slaughter & Leslie, 1997); value-driven versus ethics-driven or both (e.g., Strain et al., 2009); and so forth.

At the more practical level of the modalities of integrating the historical triad of teaching, research, and service, there is little contestation about infusing engagement in what has preoccupied universities for much longer: teaching and research. Residual contestations may be on how engagement should be performed and to what extent; whether the historical triad requires a fourth element, public engagement to which all university activities must be aligned so as to institutionalize it (Beere et al., 2011); whether the university's corporate activities and its financial muscle could be exploited for the public good (Hodges & Dubb, 2012); or whether universities as fixed assets in their respective locations could be brought to bear in, and "anchor," local and regional development (Taylor & Luter, 2013).

All of the above, whether philosophical or practical, merely signal the contextual, institutional, and value-driven choices that universities have to make. Further, they signal the relative focus and the extent of depth and breadth of engagement within those choices. Having such varied choices is good because it helps the sector to avoid being a monotonous monolith, but to be a hive of innovative diversity.

Universities have to move beyond seeing engagement as just a core value. To be able to demonstrate this value in city and regional outcomes and impacts, our students have to receive education and training that will facilitate these. Our faculty has to seriously examine how it facilitates teaching/learning and research/innovation for this purpose. This chapter does not delve into the latter two challenges. Instead, it implores the university and its partners to establish sustainable structures of governance, leadership, and management that will glue all of them together to posterity regardless of which passionate leader or champion leaves any of them. The collective of such well-coordinated initiatives geared toward city and regional development should be seen as a measure of the success of Quad-Helix engagement, just like there are unequivocal measures in teaching/learning and in research/innovation.

The Collective of the Subject Universities

Between 2004 and 2012, the Organisation for Economic Cooperation and Development (OECD), via its program on Institutional Management of Higher Education (IMHE), conducted reviews of higher education in regional and city development in 30 regions located in 25 countries, including South Africa. These reviews culminated in a series of OECD publications entitled: *Higher Education in Regional and City Development* (OECD, 2005, 2006, 2011, 2012, 2013). The seminal OECD publication on this review program is entitled: *Higher Education and Regions: globally competitive and locally engaged* (OECD, 2007). While the rest of the reviews are regional, this latter publication helps to bring generic lessons from different regions into sharp focus.

Briefly, the purpose of these reviews was to mobilize higher education through policy measures and institutional reforms that are conducive to city and regional development. The inescapable by-product of this was the creation of a network of higher education institutions that could, from a single platform, share policy measures and reforms and adapt them for their individual purposes and for the benefit of the city and the region.

The collective of these regions has over sixty (60) higher education institutions of different profiles and levels of engagement in city and regional development. All the eleven (11) universities, located in eight (8) countries, chosen to anchor this study underwent scrutiny as part of these regional reviews. The countries, the regions, and the universities involved were the following, respectively: Finland (Jyvaskyla—JAMK University of Applied Sciences; OECD, 2006); Germany (Luneburg—Leuphana University, and Munich—Munich University of Applied Sciences); Ireland (Limerick—Limerick Institute of Technology); Mexico (Sonora—Instituto Tecnológico de Sonora [ITSON]; OECD, 2007); the Netherlands (Twente/Enschede—Saxion University of Applied Sciences and University of Twente; OECD, 2005); South Africa (Free State—Central University of Technology; OECD, 2012); Spain (Arrassate-Mondragon in Basque Country—Mondragon University (OECD, 2013), and in Tarragona in Catalonia—Universitat Rovili i Virgili [URV] (OECD, 2011)); and in the United States (Southern Arizona—University of Virginia; OECD, 2011). Further, between June and September 2014, these universities were visited by the author with a view to gain some insightful qualitative perspectives on them.

The universities identified above had been carefully selected based on a combination of at least two of the following four basic criteria: vision and mission, type, size and shape, and location, relative to those of the Central University of Technology, Free State, the university that the author has had the privilege to manage for almost nine (9) years now. Because this is only a chapter with limited space, a full exposition of the case studies is not possible here. Rather, some snippets of the broader case studies will be shared to illustrate the summative and qualitative lessons learned.

The Modern and the Postmodern
Focus on the City and the Region

To understand a university's contribution to city and regional development, one has to first understand how the university and the city or the region have interacted historically in the modern era and how they are expected to interact in the postmodern era. This is to ensure that we understand the sociology and the economy of university–city–region relations together with the requisite engagement and transactional spaces that facilitate development among these partners.

Brockliss (2000) provides three models of university–city relations. The first, called the *ancien-regime model*, "which dominated the period 1200–1800 was one in which the university was in the city and not of it" (p. 164). It was only after 1800 that the second model, *the modern model*, emerged where "… the city and university began to draw closer and closer together" (p. 165). The university still continued to value its imagined safe distance. During this period, a number of universities were founded largely to serve the city's and the region's economic growth.

The third model, the *campus model*, characterized by purpose-built residences within the campus, has its roots in Oxford and Cambridge, but was perfected in the United States and the British Dominions. According to Brockliss (2000, p. 165), "moralists saw the city as a sink of iniquity" that the young people they policed in the lecture and residence halls should be protected from. Professors had to be the wardens of the residence or college halls in order to extend socialization to, and often policing of, the students' residential life.

The first and the third models are very closely related because of their supercilious and isolationist character, and hence the idea of the "Ivory Tower" some of whose "inhabitants view that very isolation as its greatest virtue" (Beere et al., 2011, p. ix). These two models suggest a disjuncture in the sociology and economy of the university on the one hand, and on the other hand, its spatial fixedness and embedding in the city and the region from which it can hardly extricate itself.

Taking *the modern model* into consideration, the challenge, though, in these engagements is not just between the university and the city, but between the city as government on the one hand, and on the other

hand, business/industry and the broader civil society. As is now well known, Etzkowitz and Leydesdorff (2000) call this strategic partnership complex the Triple Helix III of university–industry–government relations. According to them:

> *The common objective is to realize an innovative environment consisting of university spin-off firms, trilateral initiatives for knowledge-based economic development, and strategic alliances among firms (large and small, operating in different areas, and with different levels of technology), government laboratories, and academic research groups.* (p. 112)

Thus, the slow pendulum of engagement between the city or region and the university has been swinging over centuries. Whether we look at the modern era or the 21st-century postmodern era, engagement and the focus of universities on city and regional development have been inescapable. It, therefore, seems that the postmodern era requires not just a slow pendulum with discrete positions or states, but one, a *postmodern model*, we may call it, charting continuous, interdependent, and interpenetrative curves where the position or state of being and engagement among all partners at any point is only but instantaneous and spirals around to infinity.

The Emergence of the Quad-Helix Concept

One may hasten to ask: where is the broader civil society and its other organs in the Triple Helix? The leadership of city and regional development is often seen as the purview of government. The Triple-Helix idea is about bringing the university and business/industry on board, too. As argued above, the ultimate outputs must be felt and experienced by the broader civil society as outcomes and impacts. And, since the broader civil society and its organs are the ultimate beneficiaries and determinants of Triple-Helix legitimacy and continued societal support, they should not just be a stakeholder but an active co-participant. Invariably, the broader civil society needs government, business/industry, and universities, to support it, which often happens in uncoordinated and sometimes contradictory ways. For optimal outcomes, coordination and unison in action are required.

Thus, the Quad-Helix concept challenges all of the four partners to craft a common vision, coordinate their plans, and implement them in unison if city and regional development are to be enduring successes. Defining clear roles for each of the partners is important. Beyond creating an attractive policy environment for business/industry and universities to operate within, government should not usurp the roles of the latter two. When there are big projects that require business/industry, but initiated by government, it should not hesitate to hand them over for implementation. Universities should stay in the knowledge and innovation domain. And, when their social and technological innovations are ripe to lead to products and services, universities must hand over to business/industry and to organs of the broader civil society. Competing for these unique spaces among the Quad-Helix partners creates destructive bickering and petty competition, and ultimately, confusion in the broader civil society. It also has the potential to render some projects, if not the lead partners themselves, illegitimate or even failures in the face of the broader civil society.

Toward Sustainable Quad-Helix Engagement

The triple bottom line of economy, equity, and the environment has to manifest in tangible transformation, development, and prosperity of our cities and regions (Hoyt, 2013). This, arguably, is the ultimate interest of the broader civil society that, when pursued, breeds more legitimacy and support to universities. As a subset of the broader civil society, and as proponents, designers, and recipients of such development, this should be the universities' ultimate interest, too.

Sustainable societal outcomes and impacts relating to the triple bottom line derive from sustainable Quad-Helix engagements that should be demonstrated in all transactions among the partners. There has to be shared and collective choices of vision, plans, strategies, inputs to achieve the objectives, and of measures to assess the outcomes and impacts. As argued above, a collective and a collaborative approach by all the partners in all these process elements should be the glue that keeps all of them together. Outcomes and impacts are not independent of society's shared

values and perceptions, even. As such, whatever interventions or projects are implemented should assuage or remodel societal values. Based on some unilateral values and measures that, say, government, may have chosen it might consider a particular intervention as a success. But, broader civil society may hardly experience those outcomes and impacts positively and thus consider whatever project a dismal failure.

Modalities of how the members of the Quad Helix should collaborate successfully to the benefit of all citizens of a city or a region are the main subject of this chapter. As noted above, space limitations could not allow much exposition on what curriculum changes could be explored that open up our students to more innovation and entrepreneurship and what the role of faculty in teaching/learning and research/innovation could be as we foster city and regional development.

Undoubtedly, within the Quad-Helix complex, universities, with their vast intellectual and human capital have to take leadership. It is therefore appropriate to imagine universities and their modes of engagement as the backdrop for broader engagements in the complex. To this end, qualitative lessons are drawn from eleven (11) universities around the world, including the author's own, as identified above.

A Model for Sustainable and Collaborative Governance, Leadership and Management

Without well-established structures of governance and management that bring all the parties together, city and regional development are likely to be discordant and suboptimal, with little or no shared outcomes and impacts. As intimated above, there are four interrelated elements that leaders of the Quad Helix should take into consideration, namely: (a) building of mutual trust, a healthy rapport, and sustainable relations; (b) creating a single and shared purpose and vision not just for the city and the region and not just exclusively for the university; (c) planning for the city's and the region's development collaboratively; (d) establishing jointly owned, managed, or governed formal transactional spaces and structures to plan and manage sustainably.

Below, where applicable, selected qualitative examples from a number of subject universities are provided to illustrate the importance of each of these elements. Of course, the relevant OECD reports on most of these regions provide empirical evidence that the length of this chapter could not allow us to delve into.

Building of Mutual Trust, a Healthy Rapport, and Sustainable Relations

Close personal and sustainable relations must exist among the key leaders of the Quad Helix through joint meetings, workshops, joint events, and other engagements focusing on city and regional development. In the process, trust and confidence get built. In turn, the latter help to ensure that administrative red tape and destructive petty competition or rivalry on priorities will be eliminated when joint projects are conceptualized, planned, and implemented.

For example, Central University of Technology (CUT) hosts the Regional Innovation Forum-Free State (RIFFS) as an anchor for the regional innovation strategy and how this could be used as a driver of city and regional development. Joint meetings, workshops, and other types of engagement with all levels of government are an integral part of building mutual trust and sustainable relations; and so are the joint plans that bring all innovation facilities together. CUT has recently acquired land in the city that will become a regional precinct for social and technological innovation.

Creating a Single and a Shared Purpose and Vision

The university community and business/industry should be considered by the cities and the regions as very important partners in innovation, entrepreneurship, skills development, and in city or regional planning and development. Equally, the universities should see the cities, the regions, and business/industry as integral parts of their own development through the universities' collective capacity in innovation. Each party should be seen as serving in partnership with the others with the

ultimate and singular purpose of city and regional development. Thus, the genesis of our ecosystem must be at the conceptual level of our common visioning.

For example, Limerick Institute of Technology's (LIT) strategic plans and master plan are not just about LIT's own idiosyncratic ideals, but are essentially about what the city and the region need and how LIT will put its unique shoulder to the wheel just as the rest of the partners would do. From satisfying those broader city and regional needs, LIT believes it will then achieve its own academic and intellectual ideals. In turn, the Limerick Chamber of Commerce and its business/industry affiliates also see their purpose for collaboration with LIT as being only about how to make Limerick a better city and region; and not how to make LIT an oasis of intellectual development in a city or region that may not necessarily be seen as an oasis of development.

There are at least four (4) major visioning approaches on how successful visions could be devised and implemented. The first one, *a comparative advantage approach*, we shall call it, is about using existing comparative advantages in the region to upscale innovations.

For example, the University of Twente, Saxion University of Applied Sciences and the Enschede local and regional authorities focused on what was Enschede's historical comparative advantage in textile research and manufacturing. While acknowledging that they would never be able to revive the textile industry as it diminished in the 1980s and the 1990s, they collectively decided on focusing on the upstream field of nanomaterials, among others. This has also grown in other unprecedented directions where, for example, a spin-off company called Micronit established by two physics students uses nanotechnology to produce microfluidic chips.

The second visioning approach, *a problem-based approach*, we shall call it, is about looking anew at what the city or the region needs to resolve some of its apparently intractable problems. This may be done by

establishing completely new research centers, with substantial internal and external funding and support procured collaboratively, which would focus on those needs or problems, taking into consideration whether there would be a comparative niche for the region.

The third visioning approach, *a green-fields and competitive approach*, we shall call it, involves visioning around a new and unique focus area for research and innovation in the city or region that perhaps nobody in other regions or countries is focusing on at an appreciable level of intensity. Like the problem-based approach described above, this approach requires a lot of funding and collaboration from other stakeholders and partners within and outside the Quad Helix.

For example, Leuphana College (before and when it essentially subsumed the University of Lüneburg to become Leuphana University) decided not to harp back on the salt-producing industry that Lüneburg was once famous for. Instead, it thought deeply about what is unique and new that it could embark on that nobody in Europe was doing at least in the intensity and depth they planned to do it. It then chose digital media, with a particular focus on moving images on the Internet and started to develop this field from scratch. It now boasts being a world renowned research center in this field.

The fourth visioning approach, *the multinational business/industry enticement approach*, we shall call it, focuses efforts on the regional policy environment, so that business/industry finds the region attractive and even lucrative to locate its operations in. This might require more of a legislative clout in the region. This approach has its flaws, too, as the global business/industry sector is quite mobile and borderless and depends on continental and national macroeconomic conditions that change from time to time. However, nations and regions have to be agile and adaptable as global changes take place and require different strategies.

For example, Enschede, via its Kennispark, appears to have done this successfully by attracting a number of multinational businesses and

industries to the region. But, on the contrary, the dire socioeconomic conditions in Limerick, Ireland, partly had to do with Dell relocating elsewhere in the country and to other countries like Poland that may have seen opportunity and then re-organized their macro- and microeconomic structures competitively.

Planning for the City's and the Region's Development Collaboratively

The stakeholders must go beyond sharing a common vision, but they must plan city and regional development together and implement the plans collaboratively. Resources earmarked for development purposes at any level and by any of the partners have to be used in concert to achieve pieces of projects that aggregate to a bigger city or regional development project. The mutual trust built should assist in ensuring that every stakeholder that contributes toward a bigger goal gets the returns that justify its investment.

For example, the University of Arizona, with just over 40,000 students in the city of Tucson that has about 520,000 people, provides a significant homogenous academic and highly innovative community (about 8%) that could invigorate the city. Taking its furthest building, the university is located about 5 km from the city center; close enough but far enough for the university to do its own thing out there that could even compromise the city's development. Indeed, many developments around the university may have in the past, unwittingly, contributed to a relatively deserted city center. With the introduction of the trams linking the city center and the university, many residential properties, businesses, restaurants, and bars have re-opened or just sprung up in the city center and even along the tram route. This initiative was conceptualized and developed collaboratively and received substantial funding from the federal government. The university continues to subsidize staff and students who use this system as their main form of transport to demonstrate its commitment to this spatial integration.

Establishing Jointly Owned Formal Transactional Spaces and Structures

Without such formal structures or institutions, none of the above could be sustained as one or the other active manager may leave one or more of the constituent partners may have waning interest, which could leave the whole partnership in disarray. Building truly collaborative city and regional institutions—not just exclusively government, or business and industry, or university owned, managed or governed to which other partners are then invited—is important. Even if one or the other partner hosts a structure or institution, it should be clear how all the partners in the region relate to one another and collectively link together up to the national level, too.

For example, the Kennispark in Enschede in the Netherlands is a collaborative innovation and entrepreneurial facility among the two universities, the local and the provincial governments and business/industry. It is meant not only to support all entrepreneurs in the region, including staff and students of the two universities, but also to attract new business/industry to the region from big multinational and national industrial conglomerates. It is located at the University of Twente and there is a revolving door of government, business and industry, and university officials who make it work.

Conclusion

This chapter provides some strategies that university leaders and leaders of the Quad-Helix complex in general could employ to ensure that an ecosystem of city and regional development is nurtured and institutionalized for posterity. The terrain of Quad-Helix engagement within which to operate requires lots of soft and hard skills, and patience, as relationships are built and translated into substantive governance and management frameworks. The focus of this chapter is the model of governance, leadership, and management because this is a foundational ingredient. The rest of the other concomitant models for realigning curricula, re-imagining how the outcomes of research and innovation could

be exploited, and how students and staff could be re-oriented, all toward city and regional development, could follow much easier once this governance, management, and leadership foundation has been built.

The challenge for the university leader, therefore, is to first realize that their university is a spatially embedded an immovable fixed asset in the city and the region, first and foremost. Naturally, she or he must be a champion of this movement toward city and regional development and has to exhibit both the soft and the hard skills to make the Quad-Helix complex work. She or he must not barricade himself or herself behind the supposedly "virtuous" Ivory Tower. Neither should she or he stand on top of that tower and hanker after faraway lands beyond the city and the region, save to learn about successful strategies from there that may be of benefit to the city and the region.

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Part 2

Controlling for Success

An Empirical Basis for Strategic Management of Price and Aid

Richard A. Hesel and Craig Goebel

Revenue from student tuition is the most critical factor in the financial health of all but the wealthiest 4-year colleges and universities. Even with a healthy endowment, generous alumni support, and sizeable research grants, regularly meeting net tuition revenue targets is absolutely essential. The challenge of meeting enrollment and tuition revenue targets has increased considerably over the years, becoming more and more a focus of strategic planning and making it critical to ensure that the institution is maximizing net tuition revenue. As net revenue is driven by a number of factors, including an institution's competitive market position, price elasticity, academic and student life distinctions, value proposition, and a host of other factors, management of price and net revenue is one of the most challenging tasks higher education leaders face.

Given the importance of optimizing price and aid in the current climate, and the complexity of the issues surrounding this aspect of institutional planning, one might assume that taking an objective, market-informed approach would be the industry standard. However, the challenges and pressures are such that, in our experience, we have found that it is difficult for many institutional leaders to approach pricing decisions in a way that is systematic and empirically rigorous. Consequently, we often find that our primary task when consulting on price and aid is to provide our clients with strong empirical inputs and objective guidance that takes the guess work-out of optimizing price and aid and encourages a transparent and systematic approach within the context of institutional positioning. In addition to providing institutional leaders a

sound basis for decision making, such inputs can help administrators build consensus and get the buy-in they need from university administration, faculty, and trustees to set and reach important institutional goals.

In the pages that follow, we outline some of the pressures and other challenges facing colleges and universities, some persistent myths related to price and aid, and the tools and frameworks that can allow institutional leaders to make good decisions about setting price and aid for their institutions.

Challenges and Persistent Myths

Pressures on increasing tuition revenue have mounted from a number of different directions. Some of the most salient developments: From the enrollment side, unfavorable demographic shifts have shrunk the size of the traditional college-going market in many regions, increasing competition among colleges and universities. At the same time, college admissions have become much more competitive and market oriented. Colleges and universities have increased investments in highly professional staff and sophisticated market tools to attract and enroll the most talented and financially able students. Increased competition has also added to the cost side—communications, web initiatives, buying and direct marketing to prospect lists, financial aid bidding wars—nearly everything has increased the ante.

Moreover, in our work with clients over the past 20 years, we have witnessed an increased focus on enhancing a school's appeal to prospective students through greater investment in facilities and amenities as well as in cocurricular experiences. Also, student expectations and needs have increased, from student health services to career planning and advising. Finally, public institutions have experienced dramatic decreases in state funding. Often faced with caps on tuition for in-state students, many of these institutions have had to behave more like private institutions, increasing focus on recruiting out-of-state students and trying to determine how much they can increase tuition for these students and still meet their targets as they balance in-state and out-of-state enrollments.

The significant increases in cost of attendance (tuition and fees, room, and board) necessary to meet the financial needs of today's colleges and universities have created a public backlash prompted by an understandable concern over costs, but one that is heightened to an at-times irrational pitch by exaggerated reports of the real increase in cost of attendance. For example, the results of a recent study we conducted with the ACT using a sample of college-bound students who had taken the ACT (May *student-POLL*) showed that three-quarters of respondents believe that, based on what they have read or heard about the subject in the media, college costs are "out of control." Given the media's consistent focus on sticker prices instead of net costs, this finding is hardly surprising. Media attention on the escalating cost of higher education has, to an overwhelming degree, been directed at the most sensational cases—a relatively small number of high-priced private institutions with sticker prices (and price increases) that garner major headlines[1] and great consternation among the public. And most conversations outside enrollment circles have focused on sticker price as opposed to net price, exaggerating increases in cost of attendance. For example, frequently cited data purporting to show that the cost of higher education has increased over 500% above the rate of inflation since 1985[2] use average sticker prices as a baseline—even though an increasingly small number of college-bound students will actually pay the full sticker price at any institution let alone high-tuition private institutions. Indeed, net costs overall—for both private and public institutions—have increased nowhere near as drastically above the rate of inflation over the past few decades as the reported increases in sticker prices.

In fact, data from the College Board demonstrate that over the past 10 years, adjusted for inflation average net tuition and fees for private nonprofit 4-year institutions actually declined by nearly 13%, from $14,170 in 2005 to $12,360 in 2015.[3] If room and board costs are

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[1] "What Happens When You Find Out a Year of College Costs $71,000," *Washington Post,* March 27, 2015.

[2] "College Costs Surge 500% in U.S. Since 1985: Chart of the Day," *Bloomberg Business,* August 26, 2013.

[3] "Trends in College Pricing," *The College Board*, 2015.

included, average net costs for private institutions remain unchanged over the 10-year period. On the 4-year public side, average annual net tuition and fees rose by about 32% from $2,290 to $3,030 over the same period; when room and board are included, net costs rose by 26% from $2,680 to $4,520. Not exactly the rip-off popular press accounts would have us believe.

This is not to say that the cost of education is not a significant burden for many families. But we would argue that the confusion and angst around this issue—Why is college so expensive? Can I afford to go to college at all? If I go to college will I be in debt for the rest of my life?—have made it very difficult to talk rationally about how to manage the cost of education at a personal, political, or institutional level. Cost has come to play a significant part in defining conversations related to higher education and, to many people, has come to define the "crisis" in higher education today.

We have worked with senior leaders (presidents, provosts, deans, and VPs) at a wide range of public and private colleges and universities, all of whom feel enormous pressure from prospective and current students and their families, and often from boards of trustees, to make college more affordable and accessible. These pressures are especially intense at public institutions governed by state boards of visitors or regents, and institutional leaders can find themselves in an impossible situation where they are expected to serve political or ideological goals without raising cost of attendance (e.g., enrolling more first-generation, low-income students who require more costly academic and student services to persist to graduation). However, private institutions are far from immune to fiscal pressures. Many small private liberal arts colleges as well as lower-status private universities find it increasingly difficult to establish a value proposition that justifies reasonable costs to many students and parents.

Given these conditions, it should not be surprising that institutional leaders also have difficulty taking thoughtful and systematic action when it comes to setting price, even though it is a decision that will inevitably have profound and far-reaching consequences for the institution. In short, price, financial aid, and value have become a management challenge of the highest order, critical to the future of many institutions. Regrettably, very

few are managing the challenge in a cogent, rational, systematic, or integrated fashion. From presidents, provosts, and enrollment managers to trustees, alumni, and policy makers, strategies and decisions are often driven by anecdote, ideology, personal opinion, business experience outside higher education, and other forces that rarely would be the basis for effective management. And in cases when a more rational, empirically based approach is taken, the methods used are often faulty.

Seven Goals for Sound Management of Price, Value, and Price Elasticity

While setting price and aid almost always plays some part of strategic planning discussions of which we are a part, we find few leaders who understand the dynamics of cost and aid or approach the question of net tuition revenue in a systematic and empirically based way. In fact, many institutions almost never systemically or effectively measure or even take into account those market consequences. This is a management failure of the highest order. Often the high costs of measuring those market consequences become an excuse for following less rigorous or even faulty approaches. However, given the incredibly high stakes and risks, reliably measuring and understanding the market impact of price and value changes is hardly a place to be pinching pennies.

Of course, taking this leap requires a thorough commitment from institutions. Not only does it necessitate thorough qualitative and quantitative research with applicants and non-applicant inquirers, but it also requires that institutions step back and determine their own value as an institution and how the market perceives them versus their competitors. Often, this evaluation process can be a bridge too far for many administrators.

Studying market sensitivity to price—surveying how your prospective students react to changes in tuition and grant changes—provides a window into your institution's value. Every institution's value proposition is unique, and as a result, an ideal pricing strategy will vary from institution to institution. Market-based pricing is not about who you want to be, but what was is possible given your own set of circumstances. Just because your perceived competitor has raised tuition and increased matriculations

does not mean you can do the same. Just because a national pool of col-lege-bound students said they were turned off by high sticker prices does not mean your entire applicant pool is sticker price sensitive.

So what are the dynamics, complications, and standards that institu-tional decision makers and managers must understand and take into account as they seek to reliably measure the market impacts of price and financial aid decisions and policies? Or to put it another way, what are the bases for effective management of institutional price, financial aid, value, and price elasticity? We set out subsequently eightparameters that are the basis of good management.

1. Establish a market-driven empirical basis for setting price, determin-ing financial aid, enhancing value, and influencing price elasticity
   While some institutions seem to be almost entirely reactive or will-ing to make changes in price based almost purely on institutional priorities, most of the well-managed clients we have worked with look to some form of external inputs for pricing decisions.

   However, the examples are legion of institutions where price set-ting is a kind of navel contemplation. Many decisions are sometimes made based almost solely on institutional mission, goals, or exigen-cies with little or no reference to market forces. In its worse form, this takes the shape of a kind of self-referential conviction that the institution is worthy of the price it charges. We are reminded of a mid-status private university whose president believed that his insti-tution was equal to the quality of several higher status competitors whose tuition was 20% higher. In one fell swoop he ordered a tui-tion increase of 20%. This conceit resulted in disastrous enrollment and net tuition revenue consequences that were felt for years.

   Trustees, presidents, or politicians often assume that a low price promotes access and value and serves the interests of low-income families or—in the case of public institutions—in-state students and families important to policy makers. Public institutions can be par-ticularly prone to this assumption because of the pressures exerted by politically appointed or elected boards to keep sticker price down, where fixed system-wide goals establish parameters for each individual institution within the state system, sometimes requiring

tuition freezes that make havoc of institutional planning. But again, these assumptions are often made without any reliable market inputs. We have seen countless examples of public universities whose prospective in-state students and families were both capable of and willing to pay substantially higher rates. In many other cases, we have seen first-generation or low-income students and families who were much more sensitive to financial aid than to sticker price and where price freezes or restrictions, and thus made no difference.

Then we have the many cases where tuition price is set solely on budget needs and projected enrollment. It goes like this: we have a budget of $x, which to sustain we need x number of students, who pay $x for tuition. Private institutions are especially suspect to budget-driven pricing decisions, particularly when under intense bottom-line pressures. Often the "cost" of the discount rate, a topic to which we will turn to later, plays a major role in this budget-based approach to setting price and financial aid.

Other institutions set price based on inflation rates. An "inflationary" increase, typically of 2%–3%, is commonly used to determine annual price changes—in part from an assumption that peers will increase their prices at the same rate, or that inflation defines students' and families' increase in ability to pay from year to year. But fear of sticker price also plays a role in such price constraints. Even when our research has shown that the market would allow their college or university to set price higher than these "common sense" limits, clients often decline to increase price above this level for fear of being singled out in the national media and suffering a backlash from the market. We almost never see these effects.

Another common input is to benchmark against assumed peers or competitors. The logic here is that the prices set by competitor or peer institutions should offer a good guide for the price the market is willing to bear. Step too far out in front of the pack, and higher costs will drive prospective students into the arms of competitors. Set the price to far behind the pack and you will be leaving money on the table. Using such benchmarks can be problematic. First, it is not always possible to know without adequate research which institutions are true competitors. In this case, College Board and ACT

data can be helpful, but even with a solid understanding of the competition, it is impossible to know without rigorous market research, or potentially disastrous trial and error, how an institution's market will respond to price increases or decreases relative to its competition. With respect to peer schools, we find that there is a strong tendency, especially among boards, to establish peer lists that are more flattering than accurate. Setting prices based on such comparisons can be dangerous. For example, we once worked with one respected major public institution that was determining its price based on a hypothetical competitor list. In reality, only 20% of the institutions listed were actual competitors, and they had made the mistake of confusing institutions of similar type with actual competition. Other institutions are frequently guilty of overestimating their market value in determining their competitors.

Part of this phenomenon is just jumping on the trend bandwagon. Price cuts or freezes are a good example. A peer or competitor implements such an initiative and the pressures mount to follow its lead, but responding to overall trends or even following the lead of a few peers or competitors can lead to adverse consequences.

Some private institutions can cut their sticker prices and see a boost of enrollment. Others cut their tuition and only accelerate the free fall. Some institutions can set a high discount and meet their net tuition revenue goals. Some keep discounting only to meet stagnation. The reality is that no two situations are alike, and pricing strategy comes down to the particular institution's value proposition within its market, not what competitors or peers do or what the public and media thinks in general about the cost and value of private education. Simply put, each institution's situation is idiosyncratic and generalizations are hard to make. This is why it is critical to use inputs that provide insight into an institution's actual market.

We emphasize the word "idiosyncratic" when talking about pricing strategy because it is so difficult to break down the traditional and arbitrary approaches that institutions still frequently use, and because there are so many variations in subcategories from institution to institution. Indeed, committing to an empirical, market-based pricing strategy is only the tip of the iceberg. Not only do institu-

tions need to model the effects of pricing and grant changes on applicants and non-applicant inquirers, but also understand the difference between grant and price sensitivity (there is not a 1-to-1 proportionality between the two), and how these sensitivities differ by region, race, socioeconomic status (SES), etc., of each institution's respective student pool. And these strategies would not lead to easy decisions either: Given a choice between communicating your current tuition better and seeing a bump in yield, versus raising your tuition and seeing no negative effects on yield, which direction would you take? What if you are pressed between choosing between a pricing model that will increase net tuition revenue while sacrificing a share of your low-SES population? How much net tuition revenue might you be willing to sacrifice to increase selectivity or academic quality?

These scenarios present risks, and it is difficult to convince boards of trustees to take them. We have heard the following many times: "we raised our price x amount and it worked out." Without utilizing sophisticated market-based pricing and aid strategies, however, you never know how much revenue you have left on the table. It might have been possible that you could have raised your tuition higher, matched a portion of it with grants, and seen both your net tuition revenue and enrollment increase (what we call a "modified Chivas Regal effect"), but this a risk that many boards are reluctant to take. We cannot blame them, either. The idea that college costs are out-of-control—fueled by the aforementioned exaggerated media coverage on the subject—continues to affect the perceptions of students and parents, despite the fact that the average annual cost-of-attendance for a 4-year university is little more than a 9-month stay at a Holiday Inn.

In the end, a focus on sticker price may be the least important issue with regard to private colleges and universities. After all, net prices only increased 1.1% between the 2012–2013 and 2013–2014 school years, a far cry from what the major media outlets frequently portray. Often, we find that many institutions can increase yield significantly *simply by communicating their current price better.* Yet even among our colleagues, there continues to be an obsession over what their competitors can and cannot get away with in regard to

their sticker price. We worked with one private institution that determined that their competitors cost 50% more, so they raised their price to compete with them without considering whether their positioning was strong enough to sustain such a move. They ended up with major enrollment shortfalls for years.

2. Understand and manage the dynamics of cost and aid, the discount rate, and net tuition revenue

Our work with clients over the years has shown in stark relief the differences between the value of a dollar of tuition and a dollar of financial aid. For a number of reasons, this is a critical planning and management fact with major consequences for pricing, aid, and price elasticity.

Many experts continue to ignore this reality and try to focus on one trend as the root of all problems. Take for example, excessive tuition discounting, in which institutions continue to raise the discount rate to offset tuition, increases to the point where the discount exceeds the tuition, enrollment stagnates, and net revenue starts cratering. Some have taken aim at discounting as a flawed practice, citing research, which revealed that institutions with the smallest entering classes had the highest discount rate (54%), while institutions with the largest entering class had the lowest discount rate (38%).[4] Such criticisms are hardly isolated, but from our experience using the discount rate as a measure of institutional financial and enrollment health is often a mistake. We repeat the fact that market behavior regarding price and aid is idiosyncratic. The same applies to the discount rate. We have served clients with discount rates exceeding 60% who are in very strong enrollment and financial health. And, we have served those with discount rates under 40% who are in a much weaker position.

The importance of balancing concerns about controlling the discount rate with the need to maximize net tuition revenue cannot be overemphasized. In some quarters, a high discount rate has become a *bette noir* and almost a fetish among boards of trustees. The struggles

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[4] "The Dangers of Tuition Discounting," *Chronicle of Higher Education*, March 30, 2015.

we have seen institutions go through because of this fetishization of the discount rate and the kinds of inputs that we see going into the price/aid question are woefully inadequate. We have seen far too many cases where CFOs and boards of trustees see the discount rate as a "cost" and act accordingly, demanding a cut in the rate to "save money." In most cases, when such actions are taken without an understanding of the institution's demand elasticity, such cuts result in enrollment and net tuition revenue shortfalls far larger than the presumed budget "savings" from the cut in the discount rate.

Should the discount rate be a concern? Yes, in that if an institution continues to raise the discount rate but sees no great effect on enrollment, *they are in serious trouble from a positioning standpoint.* Simply put, institutions with a solid competitive position and strong value proposition have elasticity of demand. No matter what the public perceptions about the cost of an institution, those with a strong position have flexibility in how they can raise tuition and corresponding grant dollars, and in fact may have multiple paths to strengthening their net tuition revenue and enrollment (which makes market-based pricing modeling all the more important in determining the correct path). If an institution has a weak or undifferentiated position, however, they must test new initiatives with pricing changes to have any chance of breaking out of the vicious cycle of increased discounts or tuition cuts to eventual oblivion. This process may demand that institutions commit extensive time and resources to changing their programmatic focus and communications efforts, a prospect that deters many from engaging fully in market-based pricing strategies.

Another consequence of failing to see the difference between the market impacts of tuition versus financial aid dollars concerns how some institutions approach pricing research. Many faculty, consultants, boards, and presidents confuse a pricing study with a financial aid study. The latter, which are usually based on modeling of recent financial aid and admissions data for admitted applicants, predict how changes up or down in merit and need-based grants (institutional aid) will change the enrollment decisions of prospects. Used well, such studies enable an institution to make the

most efficient use of its financial aid dollars to achieve its enrollment goals. But, it is often the case that consultants will claim that such a financial aid study is in fact a pricing study. Nothing could be further from the truth and a consultant making this claim either does not know any better or is making a false claim.

Basing pricing decisions on a financial aid model of the kind typically produced in a financial aid study has a number of possible consequences. Equating the impact of a dollar of grant aid with a dollar of tuition results in planning decisions with opportunity costs that cannot be fully measured but are nonetheless substantial, ranging from lost net tuition revenue to unfavorable enrollment results. And, these opportunity costs can be in the millions.

In short, a financial aid study or predictive financial aid model is not a pricing study or predictive price model. The latter must be done very differently, with different samples and methods as well as tests of a range of price increases, decreases, packaging (e.g., freezes) that cannot possible be captured in historic admissions and financial aid data. To confuse a financial aid study with a pricing study is management foolishness at its worst.

3. Insist on multivariable, non-matrix predictive modeling of the impact of financial aid on enrollment decisions

Financial aid studies and predictive models come in many forms but generally fall into two broad categories: matrix and econometric. The former is the most commonly used and it is often confused with the latter, largely because vendors of matrix models claim they are econometric models. Nothing could be further from the truth.

The econometric models differ substantially from the standard approach to the "financial aid leveraging analysis" matrices commonly employed by colleges, universities, and other consulting firms. That technique, essentially an application of the traditional aid matrix, divides the pool of admitted students into various cohorts (for instance, by academic qualification and aid award) and assumes that a student who is moved into a cohort (normally by changing his or her award) will behave the same as the average student who is already in the cohort. This severely limits the number of variables that can be analyzed and synthesized in determining

how aid awards should ultimately be structured to achieve the desired enrollment and financial goals. It is a good start, but a somewhat crude approach—not unlike the difference between using a meat cleaver and a scalpel.

The econometric approach instead analyzes data from an institution's admission and aid databases to develop and apply a far more precise model of admitted applicants' enrollment decisions. The model can isolate and examine separately how institutional aid dollars will affect the enrollment decisions of admitted applicants based on an unlimited number of variables ranging from gender, race, and intended major to zip code, high school, and household income. The model predicts with significant accuracy how each aid dollar will affect the choice behavior of individual prospective students. They permit simulations that model and predict the impact of changes in grant awards on enrollment, student quality and diversity, socioeconomic characteristics, net tuition revenue, the discount rate, and a host of other outcomes. Given that the cost of the two basic approaches is roughly the same, institutional decision makers should insist on the econometric model approach, which provides far greater accuracy and value for planning and management purposes. As many vendors providing a matrix approach claim to provide econometric models, to test the validity of such claims institutions should require vendors to provide samples of model analytical results and recommendations.

4. Allow the market to define your competition

As noted earlier, having an accurate understanding of an institution's competition for prospective students is critically important, especially in planning and managing price and aid.

Many institutions tend to take misguided view of who their competitors are. We once worked with a leading Catholic college that was determining its price based on a competitor list of five or six Catholic institutions that accounted for only a fraction of its overlap. In reality, research revealed that the bulk of its competition consisted of higher priced non-sectarian private colleges. The focus on Catholic competitors resulted in pricing decisions that actually underestimated the colleges' price elasticity and left millions in pricing opportunity costs on the table.

In reality, the competition consists not of what you or your trustees or others believe it is or should be but the specific institutions in your prospect's choice sets at the inquiry and application stages. These often run into the hundreds, and it is a mistake to make management decisions or conduct research on the basis of assumptions about the five or six institutions with the highest overlap. It is often the case that those institutions represent only a fraction of the competition. Given that reality, we often conduct cluster analysis of our clients competition, grouping into bands based on size, cost, location, Carnegie classification, and other factors that can provide greater competitive insights than head-to-head analysis.

5. Demand clear easy-to-understand communications about price and financial aid

It seems likely that media attention to sticker price plays a role in a pattern we often see in our client research: college-bound students consistently overestimate the cost of attendance at both public and private institutions. This overestimation of costs presents many institutions with an opportunity to benefit from simply communicating net price and aid policies more clearly. In fact, we have seen instances in which the market's knowledge that an institution meets the full financial need of applicants would result in substantial enrollment increases. On the basis of such experiences, we often advise clients to reexamine their assumptions about the market's awareness of their average net cost or aid policies. This misunderstanding of price also suggests that some institutions might benefit from implementing simplified net price calculators to let prospects understand—early in the process—what might be affordable for them.

Our own survey of college-bound high school seniors, student-POLL, provides a salutary reminder that college-bound students simply do not have a firm grasp of some key issues related to college cost. This lack of information and understanding underscores an important opportunity for colleges and universities willing to think imaginatively about how they communicate cost and aid early in the admission process. To understand the complexity of the process and the confusion it engenders, we recommend that institutional decision makers and boards of trustees go online and

review from the vantage point of a high school student or parent the Free Application for Federal Student Aid (FAFSA). Such a simple review will explain while an entire cottage industry has developed of businesses that, for a sizeable fee, will complete the FAFSA for students and parents. It is almost as complicated as completing tax forms for the IRS, or perhaps worse.

As we often emphasize to our clients, many colleges and universities would benefit from providing greater clarity about costs and financial aid, simplifying the aid process, and doing everything in their power to get students to focus on the value of higher education overall as well the benefits of the distinct academic and social experience each institution provides. The latter point is especially important: We have almost always found in our own client research that substantive initiatives relating to the academic and social experience have a much greater impact overall on students' application and enrollment decisions than price changes or financial aid awards do.

Sadly, the lack of transparency in how colleges determine student need and costs, along with the difficulty of conducting meaningful comparison shopping, has the greatest impact on the those who can benefit from college most: students from low-income households, and first-generation students, and students of color, who often lack the educational socialization and experience that helps them make sense of what seems to be the impossible. However, the findings also make it very clear that their more affluent middle- and upper middle-class counterparts are also affected. In short, it is a universal problem. And, this makes it a universal opportunity for institutions prepared to act. Recognizing this challenge, a number of institutions have taken strong management steps to clarify and simplify communications about cost and financial aid with prospective students. For example, the University of North Carolina Chapel Hill has staff within its financial aid office dedicated to this purpose.

6. Use market data to educate and inform trustees, political forces, and policy makers

There is nothing like accurate, reliable, comprehensive market data about the impact of price changes on application and enrollment decisions to provide decision makers with a clear picture of the

consequences of the pricing options they are considering. For example, in the case of several public university clients under political pressure to freeze tuition for in-state students and raise tuition for out-of-state students, we found that price was far more elastic for in-state students and the price increases for out-of-state prospects would result in a major decrease in out-of-state enrollment and net tuition revenue. When these data and findings were shared with trustees and political officials, the university was given greater flexibility in raising in-state tuition and pressures to increase out-of-state tuition diminished.

Given that the cost of higher education is an incendiary issue with many public officials, trustees, and even college and university decision makers, reliable market data about the impact of price changes on various student groups has great value in helping overcome the biases and assumptions that often drive attitudes and decisions about changes in cost. For example, in one state our research findings for a public university regarding the effect of tuition prices changes on students of five different politically important regions of the state were shared with governor, chairs of key legislative committees, and other key public officials and resulted in a relaxation of the state's price controls and other regulations on the university. In another case, when our research demonstrated that a state mandated major enrollment increase for the state's flagship university would severely undermine student quality and demand elasticity, plans for the enrollment increase were abandoned by policy makers.

7. Plan for the long-term, not only next year, and change the timing of planning decisions about price and aid

In many cases, decisions about next setting year's cost of attendance are made by trustees and institutional leadership at the very last minute, usually in the late spring. We have even seen cases when the decision is made so late that admitted students cannot determine what their first year will cost until well into the summer, long after they have made an enrollment deposit and commitment. Likewise, we have seen many instances where financial aid award letters are provided months after students are admitted and have been forced to make an enrollment commitment without knowing the amount of

financial assistance they will receive. We have even seen one instance when students had to make an enrollment commitment and deposit before they were told what their financial aid award would be.

These are not good management practices. Decisions made about next year's cost of attendance should be made as part of a 5-year pricing plan and adjusted each year based on annual financial and budget exigencies as well as market conditions. It would be best that the cost of attendance for the following year be set and approved no later than January, so that students enrolling the following fall will have greater certainty about the financial commitment they will have to make. Such changes in the timing of pricing decisions will require more careful and forward looking planning and management, but they are not unrealistic or beyond the capabilities of a well-managed operation.

Financial aid offers should be made with—or following as close as possible—to the offer of admission. It is unrealistic to expect admitted applicants to make enrollment commitments with knowing what their aid award will be and the rationales for delays in the timing of aid awards (lack of verification, incomplete documentation, lack of the parent's latest tax returns, etc.) are signs of a poorly managed and rigid financial aid office without any strategic vision.

8. Engage in systematic, market-informed planning and management of price and aid

What are the necessary steps for sound management of a market-informed plan for managing price and aid?

a. **Conduct pricing and positioning research with your prospect pool on a regular basis, every 3 or 4 years.** Quality research of this kind is not inexpensive, but given the risk and opportunities the investment is worth every penny. The research design should include prospects at the inquiry and admitted applicant stages. As the choice set is different for each respondent, do not make assumptions about the competition—let that be driven by the institutions in each prospects choice set. And, use research methods that measure how changes in price and aid will change the application and matriculation decisions of prospects. Do not ask direct questions about what students and parents and willing

to pay or how they rate the value of your institution compared with others in prospects choice sets—those are not reliable. Instead model and impute value and elasticity from the data.

b. **Develop an econometric model for managing and awarding institutional aid and update the model every year based on current admissions and aid data.** Avoid the use of matrix approaches to managing and awarding aid.

c. **Do not use historical admissions and financial aid data or aid studies/models as the basis for setting price or evaluating the impact of price changes**. As noted, such data and studies on the measure the impact of grant dollars not tuition dollars.

d. **Developing a small planning/management group for price and aid including the president, provost, CFO, senior enrollment officer, and key trustee.**

e. **Plan for the long term.** Develop a 5-year plan for price and aid and make annual adjustments as circumstances require and market research data suggest.

  With each passing day, the need for strategic management for price and aid becomes more essential. Demographics are changing, budgets are tightening for public colleges, and there is more competition among private institutions than ever before. Making decisions based on arbitrary criteria—or what has been traditionally done—could potentially place institutions in an enrollment and revenue hole that could take years to recover from. Meanwhile, predictive modeling for pricing, aid, and positioning continue to grow in depth and sophistication for institutions that are committed to this process. The results of market-based pricing strategies may not always provide a clear-cut path, or offer answers that boards want to hear, but institutions themselves are massive, complicated entities with their own particular set of market sensitivities. It is time to treat them as such.

CHAPTER 9

Enrollment Management

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The chapter provides an overview of enrollment management in post-secondary education. It includes key concepts in enrollment management, its evolution from being a recruitment function to a strategic academic role, its challenges, and opportunities. The chapter shows how Mount Royal University (MRU) in Calgary, Alberta, Canada, applies its enrollment management strategies.

Current challenges in higher education institutions include changing demographics, reduced funding, and increased scrutiny from the public sector (Leslie & Fretwell, 1996; Taylor et al., 2008). These challenges directly impact the enrollment management function as tight budgets require institutions to have maximum fill rates for courses. For public institutions, there is a fine line between being fully enrolled and being above the enrollment targets, since accepting unfunded students (students who pay tuition but for whom the university receives no public funding) can be very costly and in the long run can create extreme financial issues.

Due to these challenges in higher education, strategic enrollment management (SEM) has become a vital function in post-secondary education. This chapter's objective is to provide an overview of enrollment management, including its definition, background, and evolution. In addition, the objective is to present how MRU applies its own enrollment management strategies.

Definitions of Enrollment Management

Post-secondary education institutions have been facing fiscal and enroll-ment challenges due in large measure to changing demographics. In North America, many colleges and universities have experienced an ap-parent decrease in the pool of applicants who are 18–24 age groups. In addition, in the last 50 years there has been a significant growth in the number of post-secondary institutions worldwide, forcing institutions to deal with fierce competition and adopt recruitment strategies.

Under these conditions, recruitment strategies became an imperative function of the admission offices. Admission staff in many institutions start-ed exploring enrollment management strategies. According to Hossler et al. (1990, p. 5), enrollment management is "An organizational concept and a systematic set of activities designed to enable educational institutions to exert more influence over their student enrolments. Organized by strategic planning and supported by institutional research, enrollment management activities concern student college choices, transition to college, student attri-tion and retention, and student outcomes" (Michael, 1997, p. 123).

Enrollment management has become a strategic function in higher education institutions. Therefore, the term has evolved to SEM, defined by Dolence (1993), is "A comprehensive process designed to help an institution achieve and maintain the optimum recruitment, retention, and graduation rates of students where optimum is defined within the academic context of the institution" (Dolence, 1993; Warsaba, 2011; Wilkinson et al., 2007, p. 7).

SEM is also defined by Bontrager (2004), as "a concept and process that enables the fulfillment of institutional mission and students' educa-tional goals" (Gottheil & Smith, 2010). SEM is achieved by establishing clear goals, promoting student academic success, creating a data-rich envi-ronment to inform decisions and strategies, establishing student centered services, and promoting communication and collaboration across the cam-pus (Bontrager, 2004; Gottheil & Smith, 2010).

By reading and analyzing the definitions, it is evident that the defini-tion and therefore the functions and responsibilities of enrollment man-agement have evolved. Today, most post-secondary institutions are striving to apply the "strategic" part of it, by making enrollment man-agement an essential function of the institution.

Enrollment Management History and Evolution

Enrollment management, as we know it today started in the 1990s, it includes the concept of marketing to attract and retain students. Under this concept, some consider the students as customers. Before the 1990s, this position or department was called admissions or admissions officer. This function has evolved into a division in many institutions directed by a Vice-President or other senior administrator, with admissions just one of the many departments reporting to the head (Michael, 1997).

Post-secondary institutions have become very focused on improving enrollment management strategies to maximize resources of the institution (Wilkinson et al., 2007). One common strategy has been to invest in software programs, which have helped strategic enrollment staff to make better informed decisions than was previously possible.

To understand the evolution, the so-called "ages" of enrollment management, defined as Age of Recruitment, Age Structure and Age of the Academic Context are described below (Black, 2001; Henderson, 2005; Wilkinson et al., 2007).

The *Age of Recruitment* can be defined as the period between 1970s and 1980s, where the focus was aimed increasing enrollment through the development and application of recruiting models and strategies such as marketing and financial aid incentives to prospective students. This period is considered by some as the beginning of SEM.

The *Age of Structure* started in the mid-1980s until the mid-2000s—although Wilkinson et al. (2007) consider this age as alive. The focal point of this period was the implementation of a SEM organizational structure to enhance the recruitment models. It is in this period, where several institutions started appointing senior level administrators and making a whole division with several areas or departments and staff under them. This essentially redefined the division of student affairs and grouped selected student-serving functions under it.

The current period, called *Age of the Academic Context*, started in the mid-2000s. The naming and starting point could be credited to Stan Henderson due to his article "Refocusing Enrollment Management: Losing Structure and Finding the Academic Context." As the name of the article suggests, this period is focusing on integrating the academic side of

the institution in the SEM process. This period recognizes that academics are important to the overall viability of the process. Consequently, in this day and age, SEM is an institutional wide responsibility including faculty. In many cases, it has become the focus of institutional planning.

In this Age of Academic Context, a set of core principles have evolved to guide all the SEM activities, and the principles are (Wilkinson et al., 2007):

- Establishing clear enrollment goals;
- Promoting student success;
- Determining, achieving and maintaining optimum enrollment;
- Enabling the delivery of effective academic programs;
- Generating tuition;
- Enabling financial planning;
- Increasing organizational efficiency; and
- Improving service levels.

To apply the core principles, post-secondary institutions need to develop a planning model based on the vision and mission of the institution. This model can be called a strategic plan, and it should consider the institution's current strengths and weaknesses, and the external opportunities and threats (SWOT analysis). In addition, a PEST (Political, Economic, Socio-cultural, and Technological) analysis should be performed to then establish priorities for the institution. Those institutional priorities should then be translated to priorities of SEM. Specific goals, strategies, and performance measures for SEM are based on these priorities. It is important to understand that planning is a continuous, living process, which needs constant monitoring and adjusting, and is always subject to change.

Even though there are three clear defined ages in enrollment management history, to transition from the Age of Recruitment to the Age of the Academic Context and be in a full strategic stage, post-secondary institutions follow a five-stage SEM transition model developed by Dolence (Figure 9.1).

Stage	Enrollment Trend	Institutional Messages	Institutional Action
Denial	Down	- "The downturn is temporary." - "It's just (pick one) demographics/the economy/our competitors." - "We are subject to forces beyond our control."	- Form a committee - Discuss options
Nominal	Down	- "We have to do something." - "We need a 'silver bullet' recruiting/marketing strategy."	- Fund adhoc, short-term strategies lacking enrollment management expertise - More discussion
Structural	Variable	- "This isn't as easy as we thought."	- Limited restructuring - Continue with short-term strategies with minimal enrollment management expertise
Tactical	Building to optimum enrollments	- "To achieve optimum enrollments will require fundamental changes."	- Substantive restructuring - Strategic planning based on reliable data - Strong enrollment management expertise - Targeted funding
Strategic	Achieving optimum enrollments	- "We control our enrollment outcomes."	- Stable organizational structure and funding - Top-level EM leadership - Consistent planning and assessment cycle

Figure 9.1 Dolence's SEM transition model.

Source: Bischoff (2007).

It is evident that to move from the stage of denial to a strategic stage requires substantial planning, including the implementation of new organizational structures, obtain secure funding and several additional resources in terms of infrastructure and student services to be able to say that an institution is at the strategic stage. However, staying in the age of denial is not an option, due to the challenges that post-secondary institutions are facing.

According to the literature, a challenge related to enrollment management is enrollment decline. Several authors have predicted a decline for various reasons, including reduced pool of high school graduates (Goodall, 1980; Michael, 1997; Schmidt, 1989); increase in competition worldwide (Michael, 1997); and overall birthrate decline in comparison with previous decades resulting in a decrease in the number of college or university age students. To offset enrollment decline, institutions have adopted targeted recruitment strategies. In addition to the challenge of declining enrollment, post-secondary institutions are also facing the challenges of limited resources and tight budgets, and this happens when planning is crucial.

Enrollment Management at Mount Royal University

MRU is located in Calgary, Alberta, Canada. Calgary is the largest city in the province of Alberta and is one of Canada's fastest growing cities, with an approximate population of 1.1 million. Calgary is the energy capital of Canada, has become the transportation hub for Western Canada, and has the third highest concentration of corporate headquarters of national and multinational companies in Canada (Gainer, 2011). However, the city is underserved by post-secondary institutions.

Mount Royal was establish in 1910 as a college, it started granting bachelor degrees in 2007, and became a university in 2009. MRU is a public, bi-cameral institution and is a learning community that focuses on instruction informed by scholarship. MRU's vision is "An exceptional undergraduate experience." Its mission is "Excellence in baccalaureate and applied degrees along with certificate and diploma programs" (Mount Royal University, 2014a, 2014b, p. 12).

Based on MRU's mission, the vision for enrollment management at MRU is to be recognized as Canada's foremost undergraduate university by every measure related to student satisfaction and success, achieving a desired and sustainable enrollment mix, expanding interest beyond traditional catchment areas, and being diverse by design and fulfill the commitment to flexible learning pathways (Warsaba, 2011).

At MRU, enrollment management is an entire division under the Provost and Vice-President Academic Affairs, and it includes an Associate Vice-President of enrollment management and seven departments: student systems, admissions and recruitment, student awards and financial aid, registrar, records and registrarial services, academic advising, and student success (Mount Royal University, 2015).

Student satisfaction is not only the vision of the division of enrollment management, but also one of the most important objectives of the whole institution, according to Mount Royal's comprehensive institutional plan. Therefore, an academic plan, a student services plan, and a strategic plan were developed and are being implemented. It is evident that Mount Royal has integrated the academic side of the institution in the enrollment management process, being consistent with the Age of the Academic Context. In terms of the Dolence's SEM Transition model, one can say that MRU is at the tactical stage.

There are two important factors that pressed MRU to engage in the tactical stage. The first was becoming a university in 2009, though the transition process started a few years before and included structural changes. The second factor was a significant reduction in provincial funding beginning in 2000 but peaking in 2013, forcing not only MRU but all Alberta institutions to substantially revise their enrollment strategies. In the case of MRU, additional structural changes were implemented in 2013 and continue to be to address systemic funding challenges. These changes include, but are not limited to the merging of faculties, schools and departments, and implementing cost saving and revenue-seeking strategies. The net impact is a much leaner institution with fewer programs and fewer staff and faculty.

Since 2013, MRU has been working under a financial context of: reduced revenues, government cuts in annual grants, frozen tuition, a directive to increase sector transferability and eliminate duplication, and limiting or eliminating unfunded growth. This translates into the following enrollment pressures: access pressures, demand exceeding supply, rising entry standards, highly localized catchment areas, and increase interprovincial competition (Johnston & Warsaba, 2013).

MRU responded to the enrollment pressures and challenges by implementing a reduction of intake across multiple programs; an increase in open studies enrollment; a commitment to align the FLEs (full-time students) with government grants, and some minor adjustments to international targets. In addition, MRU implemented a program prioritization leading to the suspension of eight programs. The results of implementing these strategies are that MRU exceeded its intake targets by only 4%, fell within 1.2% of the total institutional FLE targets (Johnston & Warsaba, 2013). However, it experienced access challenges and complications with the Open Studies strategy. As mentioned before planning is a constant process, so these challenges and complications are now part of the current strategies and goals of enrollment management.

The following are some examples of goals established at MRU for enrollment: help undergraduates to persist until completion; increase enrollment of targeted underrepresented student populations; develop recruitment, admissions, and enrollment strategies to fund and sustain

existing and proposed programs, to name a few. Each established goal has a number of strategies and performance measures. Examples of strategies are as follows: continue to enhance student orientation and first-year transition programming; pilot an early alert warning system for students at risk of academic difficulty; develop a focused aboriginal recruitment strategy; increase the depth and breadth of dedicated student support for international students on campus.

Conclusion

The chapter presented an overview of enrollment management, providing an example of how it is applied at MRU. Enrollment management is currently in the Age of the Academic Context, focusing on involving all members of the university community in the enrollment management process, by doing so, becoming a strategic planning process. It is clear that SEM is an institutional responsibility. SEM includes a clear understanding of the mandates of the institution, including its vision and mission. A well-defined and understood enrollment framework with clear goals such as MRU's will allow an institution to make informed decisions and establish strategies with clear performance measures.

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CHAPTER 10

Assessment Is Everyone's Business

Wendy Weiner

College presidents oversee complex institutions with a variety of compliance issues, expectations from their constituents, and evaluations by their boards. Oversight is daunting with so many eyes on the college from such diverse stakeholders if the president is unfamiliar with institutional effectiveness (IE).

When the question is asked as to why a college invests time and energy into IE, all too often the president answers that the regional accreditor requires it. While that is true, it is also a very weak answer to give. The best reason to give is what Linda Suskie (Banta et al., 2014) refers to as "betterment." In other words, IE is how one engages in a continuous cycle of improvement through a process of goal development, plans, implementation, reviewing the findings, and making budget decisions based on those findings.

According to the Southern Association of Colleges and Schools (SACS, 2012, p. 16), "Institutional effectiveness is the systematic, explicit, and documented process of measuring performance against mission in all aspects of an institution."

IE, in brief, is how well the college is fulfilling its mission and goals. Although that sounds quite simple, it is actually a multifaceted process that encompasses the entire college. Too often naïve leaders view Academic Affairs' work on assessment of student learning as sufficient to meet this need. However, this type of thinking is what gets presidents into trouble. In fact, every aspect of a college is expected to contribute to the success of the college and therefore should be expected to participate in the assessment process. How else would one know if the various units are being successful, how they can improve, and how resources should be allocated?

Getting Started

So what does one assess? This is where the strategic plan (not to be con-fused with the operating plan) comes into play. Look at those college-wide goals for each area of the college. Think about the various units of the college:

- Academic Affairs
- Student Affairs
- Veterans Affairs
- Athletics
- Facilities
- Finance
- Institutional Research
- Support Services
- Grants
- Foundation
- Continuing Education
- Library Services
- President's office
- Office of Assessment

If the strategic plan has a goal for each, then that is what needs to be assessed. However, it is not necessary to focus on units for IE. A college can approach IE in a different way, by its core themes such as diversity, student success, access, and quality. Or it could be a focus on additional institutional goals such as scholarship resources, partnerships, facilities that enhance student learning (Suskie, 2004, p. 10), and other elements of infrastructure that also enhance student learning.

The good news is that deciding what to include in IE should not rest solely on the shoulders of the president. However, the president should be present and engaged in this determination and in the entire process. Generally, it is a good idea either to have an IE leader take charge of the process, or hire a consultant to lead the college through the process. At the end of the day, internal leadership is usually better because ongoing

commitment to sustain the program is already built in and the college culture is already known. On the other hand, a consultant can bring a fresh perspective.

If the college goes the route of a consultant, there are several things to consider before hiring one:

1. First answer the question: Why bring in a consultant? Is it to do the work or to train others to do the work?
2. Be certain the consultant learns relevant details about the institution, including its culture, so that he/she will be fully prepared.
3. If the consultant is going to actually lead the IE process, be sure that the scope of work is clearly delineated (Bresciani et al., 2009, p. 172).

Leadership and mentorship in the process is an important decision and should be thought through carefully.

Identifying a Process

Oftentimes, the IE process seems complex and presidents can procrastinate for fear of not knowing where or how to start. One community college in New York developed a diagram to demonstrate its IE process (Figure 10.1).

Figure 10.1 Flowchart of SCCC's strategic planning data gathering efforts.

Source: Suffolk County Community College (2015) (SUNY).

So what does an IE process look like? A cross-constituent committee, possibly composed of various levels of college leadership, must examine the mission statement. This is something that should be done at least every few years, but for some colleges, it is done every year. After all, it is the mission statement and goals that form the basis for the college planning process and institutional assessment (Irvine Valley College Mission Statement & College Goals Annual Revision Process).

Germanna (Virginia) Community College's IE web site proclaims their inclusiveness: "Although the Institutional Effectiveness Office (IEO) coordinates our IE processes, everyone at the college plays a vital role. Employees are actively involved in IE in several ways: assessing programs and services by serving on an IE team; implementing IE team recommendations; participating in individual, unit, strategic and budget planning; and identifying target areas for quality enhancement" (Germanna Community College, 2015).

While mission statement review and strategic plan are foundational for IE, the academic affairs goal is the keystone to IE. There was an instance where a college strategic plan never addressed teaching and learning. That is quite a serious oversight for an institution of higher learning.

The options for treating teaching and learning in a strategic plan can take on many forms. Cornell University (2015) offers the following goal: "Establish and maintain organizational structures and processes that promote and support academic excellence." One of Ohio State University's College of Arts and Sciences goals reflects teaching and learning: "We will provide new innovative teaching opportunities for our faculty and enhanced learning opportunities for our students, and we will provide undergraduate and graduate courses and programs that challenge our students and match their excellent academic credentials" (Ohio University College of Arts and Sciences, 2015).

Pikes Peak Community College (2015) developed a broad goal for academic affairs addressing teaching and learning and added three objectives to guide the assessments:

"Expand and Strengthen Opportunities for Students to Learn and Succeed."

- Develop and implement a plan to strengthen student learning.
- Increase academic and student support to meet growing demand.
- Advance assessment of academic and supportive services programs and student learning."

Assessment of Student Learning Outcomes—Academic Affairs

With the right leadership and faculty buy-in, Academic Affairs can have a robust assessment program that includes class, course, and program assessments. This begins with a faculty-led assessment committee, comprising appointed individuals such as department chairs and various faculty volunteers. This committee provides the leadership and motivation for systematically assessing student learning in a variety of ways. Using both formative and summative assessment strategies, faculty may use both qualitative and quantitative data as the basis for verifying student learning.

A basic approach is to implement ongoing, 3-year plans that include program, course, and classroom assessments. Faculty designs assessment projects and tools to document student learning within their disciplines. These are developed through departmental faculty committees. Specific assessment activities include the following: program matrices, review/revision of student learning outcomes, classroom assessment projects, course assessments (such as composition and public speaking), and program assessments through capstone courses and program reviews. The faculty-driven committees also review and change, where needed, the general education requirements for all degrees offered. These changes can be reflected in revised degree sheets and guided pathways for students to follow to ensure they meet core objectives of general education by the time they are receiving degrees. Thoughtful discussion and research guide these practices. Perhaps one of the most important elements of assessment committees is the collegial discussion about teaching and learning.

Faculty holds the primary role in the evaluation of educational programs. A strong academic program ensures student learning outcomes are identified on all syllabi. All assessments are designed by faculty to measure and enhance the students' accomplishments of the outcomes for courses. With the help of an assessment committee, these assessments greatly expand across disciplines to certify that the outcomes for a course or program are being met with the use of Classroom Assessment Techniques (Angelo & Cross, 1993), stronger grading rubrics, and more focus on possibilities of assessment tools.

It is imperative for all departments to develop an annual assessment plan, implement their assessment activities, generate a report about the year's assessment plan and activities, and make decisions for ongoing plans and curricular changes based on the outcomes. The programs to be assessed and the projects chosen for those assessments reflect the department's primary focus and responsibilities.

According to the Northwest Commission on Colleges and Universities, all departments must document, "through an effective, regular, and comprehensive system of assessment of student achievement, that students who complete its educational courses, programs, and degrees, wherever offered and however delivered, achieve identified course, program, and degree learning outcomes" (p. 35).

Academic units must regularly review assessment processes to ensure they appraise authentic achievements and yield meaningful results that lead to improvement (Northwest Commission on Colleges and Universities, 2015, p. 35). During the monthly Assessment Committee meetings, faculty across disciplines should peer review projects, proposals, and reports.

It is important for departments to base assessment projects on course and program outcomes, and past assessment projects. The results of assessments should be used to improve instruction and student learning. This also informs future assessment projects. The results of assessment projects affect instruction at the course, instructor, and section levels.

Needless to say, there are countless web resources for assessment of student learning. Generally speaking, the IE professionals and assessment professionals generously share their work. The important point here is that no single plan or objective works for everyone. Each school must develop its own strategic plan and decide on its own assessment tools.

Assessment of Student Learning
Outcomes—Student Affairs

There are many ways to assess activities that are in support of student learning, but not directly in Academic Affairs. Student Affairs has many tools available to them to "take the temperature" of student progress. For example, the National Survey of Student Engagement (NSSE) is a widely used national test that monitors four engagement indicators that address the following themes:

- Academic challenge
- Learning with peers
- Experiences with faculty
- Campus environment

NSSE also assesses high-impact practices:
- Learning communities
- Service learning
- Work with a faculty member on a research project
- Internship, co-op, field experience, student teaching, or clinical placement
- Study abroad
- Culminating senior experience (capstone course, senior project or thesis, comprehensive exam, portfolio, etc.)

NSSE ultimately captures two aspects of quality education. "The first is the amount of time and effort students put into their studies and other educationally purposeful activities. The second is how the institution deploys its resources and organizes the curriculum and other learning opportunities to get students to participate in activities" (Center for Postsecondary Research, 2015). This information helps colleges identify areas of success and weakness in the campus climate. High satisfaction levels generally indicate high persistence and retention.

Many colleges overlook monitoring student learning in the cocurricular areas. For instance, campus activities on Constitution Day (September 17) can be assessed in a variety of ways. Headcount is the most

obvious way to gauge interest and participation. In order to delve into actual learning, assessors can use classroom assessment techniques such as a 1-minute paper on what was learned. Another CATs approach (Angelo & Cross, 1993, p. 3) is to ask the muddiest point: What does the student not understand? The opportunity for using the feedback is great in this area using such assessment tools. These are just a few obvious ways to apply assessment techniques in student affairs.

Conclusion

Each goal area in the strategic plan should have an assessment plan to monitor its success. In fact, the assessment plans should evolve as the goal is developed. Concurrently developing the assessment tools and goals helps planners refine appropriate strategies that make sense for the goal and are easy to implement, yielding meaningful information.

Assessment is everyone's business—not just Academic and Student Affairs, but the presidential leadership is imperative to a successful IE program. If the president shows that he/she believes in the importance of monitoring how well the institution meets its goals and mission, the rest of the college constituents will follow suit. Celebrating successes; working on the weaknesses; and reviewing assessment activities, results, and proposals for improvement and resource requests are all part of the president's role in assessment.

For anyone who is uncertain about best practices, there is a plethora of web resources, conferences, and publications to support this endeavor. In fact, there is a conference each summer that is useful for college teams: *The Annual Institute on Best Practices in Institutional Effectiveness*, sponsored by The Center for Applied Research. This 3-day intensive training is designed to help higher education institutions develop and follow effective strategies to accomplish IE at their institutions. A broader conference approach is available at The Assessment Institute in Indianapolis held each fall. It is designed for those interested in outcomes assessment at any level.

The important takeaway is that everyone has a role to play in assessment and the resources are readily available to support the college's

endeavors in this critical aspect of college success. According to Wehlburg (2008),

> *An atmosphere that is open to reflection and ongoing learning and improvement should be a hallmark of effective higher education institutions. A campus that uses the results of student learning assessment to inform important decisions will be much more likely to be looking to improve the student experience.* (p. 118)

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CHAPTER 11

Fundraising in Higher Education: Aligning Mission, Development Staff, and Donors

Mac Powell

Fundraising is an art that is practiced at its best by people who care. Although hundreds of books have been written to explain the relationship of campaigns that have yielded institutionally transforming gifts, there is no substitute for an advancement department and president whose vision and mission are perfectly aligned to the needs of the community and its benefactors. And, while touting the absolute importance of mission and alignment, there are economic trends, personalities, messaging nuances, organizational support structures, measurable benchmarks, and competition from other nonprofits to consider. This chapter explores the best practices in fundraising, offers insight into some of the more successful educational fundraising efforts during the past century, and proposes that at its heart, the art of fundraising requires a president and staff that are deeply committed to the ideals of the institution and able to compellingly tell that story while building deep and meaningful relationships with university supporters.

The Economy and Its Impact

It is often said that education is a countercyclical industry, and that as the larger economic conditions become more dire, education becomes a more attractive option both to traditional and nontraditional students.

As the economy improves, educational institutions can often experience downturns in enrollments and see retention rates decline as students are able to reenter the workforce, take on new and better employment roles, or benefit from rising wages and home prices. Economic declines, changing demographics of students, and an overall decline in the number of students seeking higher education have challenged the budgets of many institutions, and many Boards ask what administrations are doing to diversify revenue streams and increase fundraising. Analyzing the role of giving against economic conditions, it is evident that as the United States economy grows, so grows the ability of universities to raise money for capital and other projects; in periods of economic decline, fundraising becomes more difficult and university presidents should adjust their strategies for budgeting and relationship management (Council for Aid to Education, 2015). Throughout the most recent economic downturn, many institutions saw significant declines in giving, particularly in 2009, when the sector saw a drop of almost $4B (Council for Aid to Education, 2013). Even Harvard University saw the withdrawal or delay of several pledged gifts in the tens of millions (Hashmi, 2014). However, as the economy improved fundraising efforts have steadily improved throughout the sector, with many institutions seeing record levels in 2014 (Council for Aid to Education, 2015).

Who Gives?

The Council for Aid to Education's annual *Voluntary Support of Education Report* provides an excellent snapshot of annual giving at colleges and universities. In a typical year, Alumni giving accounts for about a third of all gifts, with families of graduates accounting for about a third, followed by foundations at about 20%; the remaining gifts typically come from other individual donors, corporations, and organizations (Council for Aid to Education, 2013). Foundations have increasingly focused more upon joint ventures across institutions, rather than funding initiatives at a single institution, but the volume of money is significant, and in 2010, "Human Services and Education were the top priorities of corporate foundations…" (Foundation Center, 2012, p. 3).

Obviously, the selectivity and other demographics of an institution will shape the type of gifts that an advancement department should target. One colleague recently inherited a presidency of a historically selective institution whose former president had sought to expand the economic diversity of its campus; the result was a significantly more vibrant campus culture, but the new president also found that the number of major gifts from the parents of students declined significantly, leaving major deficits in annual giving campaigns. Who gives is not just a historic question; it is an ongoing question that is driven primarily by the current students and relationships in active engagement with the institution.

During the first week of my second presidency, I asked the advancement department to make a list of all of the donations and donors in the university's database, ranked by the total giving of the donor. I also asked for rates of alumni giving and wealth screening on all of the university's prospects for gifts. The deans and others involved in fundraising sat down and analyzed the data, which was both porous and illuminating. Although the university had received some gifts of over $1M, it hadn't received a gift from an aluminus of over $50,000, hadn't received a gift over $200,000 for more than a decade, and had only 10 prospects on its donor list with the capacity to give a gift that would qualify as a truly "major" gift. This process helped to clarify the university's capacity for relationship building and led to a restructuring of the department, refocused the department's attention on ways to cultivate a larger base of support, and pointed out that for this particular university, the current opportunities were more in corporate efforts than in traditional work with major donors.

Knowing who gives should inform both the activities and staffing levels of the advancement department, and while it is important to be aspirational in terms of the goals of advancement departments, too many departments structure themselves for gifts that are misaligned to who gives (Rosenbaum, 1994). One colleague began his presidency with a budget anticipating over a million dollars in annual gifts, yet the university had never received more than half a million dollars in gifts and had an advancement department whose staffing budget alone eclipsed that number. Boards and presidents can be overly enthusiastic about the

possibility of gifts (whether promised or suggested), and the advancement department's goals for annual giving should be carefully measured against recent success as well as a very clear understanding of each individual donor, their wealth screening, and their indicated enthusiasm to joining the university's giving community.

Fundraising Strategies and Tactics

Preparing for a campaign, event, or individual ask requires that the advancement team understands the "fundamental interests" and "sensibilities of donors" (Burke, 2000), but merely understanding the will and intent of donors is not enough. Universities must position themselves in the community as constructive, vital, and successful social investments, and develop an investor relationship with donors and engage their value-based commitment capacity to make a difference in their communities (Grace, 2005). Does the university track and promote the volunteer hours of its students, its community partnerships, the number and quality of its trainee and internship programs, its membership in local rotaries and chambers, and its involvement and support of other local charities? Does the university have programs that bring the community to campus, such as speaker series, culinary programs, concerts, cultural festivals, and job fairs? Does the university provide a space where people of influence can gather and network by hosting forums and events? These types of activities create a broad sense of community and vitality that can help to expand the base of partners and donors, and to excite and attract larger numbers of constituents (Newman, 1998). A major donor to a university where I was president called me for a meeting one day. He had years before my arrival pledged a major gift only to withdraw the pledge because of a falling out with the former president. Without prompting, he told me that he had been hearing that other members of the community were getting engaged with the university and its current efforts and that he wanted to rejoin and would expect me to ask him for a gift. It was a stunning turnaround that highlighted how the work of the university in expanding its community activities could drive fundraising.

Beyond building a culture of vitality and engagement lies the relationship with the donor and the important elements of cultivation, communication, monitoring, and evaluation. Walker (2001b) astutely writes that building relationships requires an approach that values the "donor more than the donation." The early stages of cultivation require the president to make a decision based upon incomplete information: what is the long-term value of this donor and what are the resources I will need to deploy to build a relationship that will have value for both the university and the donor. Wealthy donors and corporate gift officers are approached by hundreds of nonprofits seeking support. Sometimes the very best decisions are the ones where the president realizes that the match between the donor, the institution, or the president himself/herself will not yield a gift equivalent to the time and effort expensed to achieve it. Presidents meet hundreds of people a day and are often asking themselves whether one or more might be identified for a gift campaign. "Advancement executives are quick to point out that successful fundraising requires a top-down commitment from leaders at all levels of the college" (Hallagan, 2008, p. 28). I often ask myself three questions when forming relationships with donors before any wealth screening or discussions with my advancement department: do I like this person, do they like me, and do they love the university? All giving comes from personal relationships and the president's job is to continually conduct a realistic assessment of the relationship with donors. An early successful evaluation of the relationship's potential can limit later frustrations from both the donor and the president.

In looking at successful communication strategies between universities and donors, it is clear that a targeted approach is superior to more broad campaigns and messaging (Walker, 2001a). While alumni magazines and electronic newsletters are excellent vehicles for sharing regular updates, handwritten cards, phone calls, and personal meetings are more valuable in building the capacity for major gifts. Regularly attending events at a donor's home or a monthly game of golf or racquetball will build the type of a relationship that produces the conversations that lead to successful major gifts. Asking donors for money is tremendously difficult if there is no trust and comfort that is built by regular communication and contact.

Nothing irritates donors more than unsolicited, unwanted, or unnecessary appeals, and almost all of these can be avoided by having the type of relationship where the donor either initiates the discussion about giving or has been prepared through a series of interactions.

In cultivating relationships from introduction to ask to follow up, consider the following best practices from experts in the field:

1. *Understand the donor's perception of the university and the need and make a compelling case by providing clarity on the impact of giving (not just the need)* (Bendapudi et al., 1996). It takes time to understand the donor's history and personal relationship with an institution. Be careful to not quickly label a donor as a "parent" or "alum" and fail to take the time to truly understand the perception and ultimate motivations for any gift.

2. *Think emotionally and altruistically.* Universities are institutions primarily interested in bettering the lives of their students and communities. It is important to continually relate back to the emotion associated with helping others, and to continually appeal not to donors minds, but to their hearts and the "better angels" of their nature. As Burnett (2002) writes, "Fundraisers need to learn how to harness the simple power of emotion. Fundraising has to appeal first to the emotions. Logic can then reinforce the appeal" (pp. 28–29).

3. *Offer a clear, direct proposition people can relate to.* Reinforcing Burnett's remarks about logic, it's important that any request for funds offers a clear proposition that spells out expectations and scope of benefit. Nibbling around a donor's potential giving capacity or interests is not generally an effective technique. If you intend to ask a donor for funds, have the amount in mind and be prepared to back up the benefits of the potential gift with historic successes, other committed gifts, projections for the use of the donation, and any considerations that might lead to objections or confusion in the future.

4. *Be honest, be real, and be personal.* It's important to understand that it's far more important for you to get to know donors than for them to get to know you (Burnett, 2002, pp. 28–29; Edles, 2006, p. 128). To that end, it's important to be an excellent listener, but also to be honest, real, and personal. You're not selling, you're

building relationships. I have a rule that never wavers with donors: everyone I ask money for has been to my home, sat at my dinner table, drank my wine (or the beverage of their choice), eaten my food, and gotten to know my family. Being real and personal is critical for building trust, and guests regularly comment that they feel like I haven't spoken much at all at the dinners. I don't regulate the conversation or impose my agenda. Being real and personal is about creating a space for donors to know what it's like to be part of the university in a very special way. Take your time just like you would any relationship.

5. *Tell a story and use technology*. At the heart of marketing and communications is storytelling, and technology can be an incredible tool of telling the story of the impact of giving (Halligan, 2008). A university's website and video channels are an excellent vehicle for sharing the magnitude of gifts, at an institutional level both through measured progress and through the personal stories of students, faculty, and staff.

6. *Use all relationships*. Many donors like to give to causes that are supported by their friends or peers. When considering campaigns and individual asks, leverage donors' relationships with each other. Utilize committed donors as spokespeople in asks, and work with committed donors to reach out to their own networks to expand the circle of giving.

7. *Continually evaluate the relationship*. In considering the monitoring and evaluation of donor relationships, there is much that can be learned from modern marketing (Walker, 2001a). Simple analytics to track the open rate on emails or newsletters, data on the time that donors spend looking at particular pages on a university website, click-through rates on funding requests, and return visits by individuals are invaluable in tailoring messaging. Bendapudi et al. (1996) incorporate research from marketing, economics, sociology, and social psychology to propose specific promotional strategies that charitable organizations can research and employ to obtain help. The authors suggest that donation frequency and amounts can be influenced by the quality of the relationship and the ability of relationship marketing in order to sustain reliable donor bases.

8. *Turn mistakes into thanks.* Burnett (2002) offers a litany of best practices related to fundraising, including the fact that sharing failures is an opportunity to create a sense of trust and honesty; that great fundraising isn't just about receiving a gift, but about getting donors involved and sharing their story of giving with others; and that *often* the most loyal donor is the one who has complained and received a satisfactory response. One of the most important best practices is to "*Always say 'thank you' properly and often.* …be brilliant at welcoming new donors when they first contact your organization, but also always be willing to turn failed opportunities into a chance to say 'I'm sorry' and reengage" (Burnett, 2002, p. 29).

9. *Utilize lifetime-cumulative giving or annual appeals.* There are many ways to give: time, stocks, bonds, cash, property, and connections (as well as gifts during a donor's lifetime and through their estate). Every "ask" should be personal and tailored. Be cautious with mass mailings or smaller events with a shotgun approach to gifts. People want to be asked for a gift personally; they want to be thanked personally; and they generally don't like follow-up asks that are impersonal or that fail to recognize their giving history. One solution is to conduct an "Annual Appeal" or "Lifetime Giving" campaign, where you approach a donor with a single ask that outlines all of the support you are seeking for the year or their lifetime. This would eliminate additional asks for smaller items (such as participation in annual dinners, golf tournaments, homecoming, or campus events). This method allows the development staff to budget more realistically and for the president to spend his or her time cultivating a deeper relationship free of any anxiety over future asks.

Corporate Sponsorships and Giving

In exploring the different types of campaigns utilized by academic institutions, many colleges and universities work to acquire corporate sponsorships, though most educational institutions have been less creative in working with companies to increase development revenue than with individual donors (Petroshius and Crocker, 1993). In his article on nonprofit sponsorships, Allen (1996) believes that these relationships

must begin with a focus on the return of value to the sponsoring organization. For corporate giving, the institutions should begin with a focus of how the gift would benefit the institution, the corporate partner, and the public. Approaching companies requires a thorough understanding of the health of the company, its history of giving, the key decision makers and their own personal giving histories, the place of the company within its own sector and within its defined customer footprint, and the alignment of these factors with the university's mission, alumni, and own benefactors. Like any investment, companies will evaluate the return, both in terms of new customers, expanding brand loyalty, increasing brand value, and the extent to which a gift or sponsorship will create public relations mentions (Goldberg, 1997). Being able to articulate how a university's brand and the company's brand align to form mutual value is an exercise in philanthropic entrepreneurship. And, when done well, many companies leverage the effects of giving through social media and public relations to more narrowly segment consumers while simultaneously reducing overall marketing expenditures (Graham, 1995).

Accessing corporate foundations through community and foundation officers is a traditional approach for most universities, but "corporations frequently make their most significant contributions to universities through internal corporate channels not connected with their corporate foundations…As corporate investments become increasingly strategic, programs that demonstrate a clear potential return might expect to realize larger proportions of corporate funding" (VCU Office of Development and Alumni Relations, 2013, p. 1). Companies look to engage universities through "enlightened self-interest," and participating in initiatives that will yield positive relations, press, and internal capacity, such as "improving science education, increasing the pool of qualified minorities in a particular field or facilitating a marketing goal through placement of the company's name on campus facilities" (VCU Office of Development and Alumni Relations, 2013, p. 1). In considering corporate giving, work to build partnerships through university board members, vendors, and established relationships and build a case that aligns with the enlightened self-interest of the prospective company.

Alumni Campaigns and Giving

There is no more valuable asset and opportunity in fundraising than through the alumni and family of alumni, and alumni and family given regularly account for the lion's share of university fundraising for almost all private and nonprofit universities. And, "given the importance of graduates' pride in their alma maters, a fund-raising strategy should begin at the time students are recruited" (Baade & Sundberg, 1993, p. B2). Some techniques used by institutions to begin the cultivation of students through to alumni are merchandising, degrees, concerts, events, and athletics. Merchandising can include a book store or online store to sell branded apparel, often the most successful being marketed to the parents of students, but certainly apparel creates a sense of indoctrination and tangible branding that creates a sense of community and engagement. Even online for-profit universities have used merchandising to create a sense of brand loyalty by sending apparel in an acceptance package and regularly sending thank you gifts to students in the form of logo'd mugs, t-shirts, and technology support devices. No matter the size of institution, branded items such as lapel pins, folders, pens, and stationery are inexpensive ways to cultivate students, families, and alumni.

Perhaps the most valuable and least leveraged device for cultivating students and alumni is the degree itself. Students almost always prominently display their degrees for the rest of their lives, and universities should spare no expense in designing and distributing degrees that distinguish the university and the students' accomplishments; by contrast, one of my alma maters (a ranked public research university) confers degrees that are 8 ½ × 11 cardstock with calligraphy that makes it difficult to identify the institution. Concerts, events, and athletics are by far the most effective way of cultivating both student and alumni giving. Universities utilize Alumni Days, recognition events for distinguished alums, commencements, convocations, speaker series, seminars, and continuing education to engage students and alumni, and to continue to try to create a sense of connection and value. Athletic teams and their success often drive giving campaigns, and the lost revenue over expenses produced by most athletic programs is gladly accepted by presidents and advancement staff who use sports to continue to cultivate a sense of esprit de corps with students and alumni.

While there is no more likely source of major giving from alumni and their families, the consistent message required through all of these activities is engagement. Advancement staff should divide their efforts into engagement campaigns and closely track messaging and responses. Electronic database systems are a starting point for managing campaigns, but presidents and advancement staff should work together to develop messaging that carries an arc aligned with the institution's mission. A good advancement staff will regularly have personal conversations with alumni, track personal and professional progress, and maintain a database with wealth screening data to continually refine campaigns. While consistent in messaging, campaigns should also be segmented to align with student's academic majors, career choices, level of participation in various campus functions, and giving history. Many universities recognize levels of giving in annual publications, and while recognition is important, it is more important to create a sense of partnership with donors. Some examples of this partnership creation are sending regular letters from students who have benefited from a donor's generosity, forwarding publications from endowed professors, annual accounting of restricted funds, monthly updates on campaign successes, and regular gatherings of donors segmented by levels of giving. And, while all of these can support ongoing giving and feelings of partnership, regular one-on-one meetings with the president are critical to create a personal sense of commitment and partnership.

The Advancement Staff: Size, Professionalism, and Scope

While fundraising has always been an important function of the presidency and administration, advancement staff and their own development have become more professionalized during the past two decades. Standards for training, compensation, accountability, and activities have become more prevalent, and the importance of this structured portion of the administration (Wagner & Patrick, 2004). The size of advancement departments can range from a single half-time position to dozens of full-and part-time employees. Annual financial reporting for institutions regularly identify both the funding created and the expenses required to achieve them, and reviewing the fundraising activities of many small nonprofit private institutions, it

is evident that many institutions are not achieving the returns on the investment that they have made in their advancement staff. Most advancement staff aren't right sized to the level of activity and expectations of the university. And, many advancement staff make the catastrophic mistake of looking a year ahead for major gifts to fund current year activities. The size of an advancement staff should be based upon the capacity of its active donors and levels of giving, and grow based upon the growth of the giving capacity, rather than on projections for future gifts. This is a tremendously hard message for many presidents to deliver, as advancement staff will regularly argue that it takes investment to produce results. While generally true across industries, successful fundraising requires a close look at the returns on investment. For instance, in exploring the fundraising activities for several institutions, many hold annual galas or luncheons that produce modest net returns, if any. The expense of putting on successful events rarely includes the time of the staff and the opportunity costs to major donors. One donor told me that he made a pledge of $10,000 at an annual dinner, but was then less receptive to a second ask for a gift many times that that the donor said he would have been willing to give. Other institutions hold golf tournaments or small event-focused fundraising that solicit gifts in the hundreds of dollars, leaving donors who participate feeling as though they have provided their annual support to the organization. The size of the staff and its focus are critical, and ensuring that there are sufficient staff to monitor campaigns effectively is more critical than overstaffing or under-staffing to manage events that don't align to the overall fundraising of the institution.

Evaluating Development Activities

Evaluating the effectiveness of an individual fundraising campaign can be quite simple: did the campaign yield the targeted funding goals in the established period of time with targeted overhead and campaign costs. However, evaluating a development department can be incredibly difficult when evaluating the results of fundraising against the "potential" that Boards often see in fundraising activities. Board members may see gifts as imminent or probable when there is really no potential of successful cultivation, or the entire capacity of a university's fundraising efforts might be questioned as Board members look across the region at

a competitor who has received a major gift that should have been given to their own institution. Sir Francis Galton, the father of the term "nature versus nurture" was quite instructive in saying, "whenever you can, count," and it is much more practical and common to measure the success of advancement departments on year-over-year progress and the achievement of individual campaigns. Greenfield (1999) reaffirms that effective fundraising requires measuring against potential, but that organizations must be realistic about their capacity and design plans that are in line with donors' interests and giving histories.

Fundraising in Nontraditional Environments

The changing demographics of those seeking higher education, as well as the number of adult learners from underrepresented groups returning to school, require institutions to rethink how they engage potential donors. Millet and Orosz (2001) share that communities of color think differently about giving and that development officers must understand the cultural differences around the act of giving, the relationship of the donor to the institution, and the meaning and importance of the gift. Millet and Orosz (2001) suggest that the communities of color are an enormous untapped resource for charities. Similar works by the Council on Foundations (1999), Boice (2003), and Pettey (2002) offer that fundraising in communities of color requires a reevaluation of messaging, requests, expectations, and funding priorities tied to the specific community of color. For instance, Pettey (2002) suggests that philanthropy in the African-American community includes gifts of time, service, knowledge, and love, and that approaching the African-American community requires knowledge of specific values around family, service, neighborhood, volunteerism, and the role of religion in the community's definition of service.

Conclusion

In conclusion, fundraising is a creative process of relationship building between the donor and the institution. The president isn't just the "closer," but the primary relationship builder who must understand the fundraising strategies and capacity of the institution and align those strategies with university funders. At its heart, fundraising is relationship

building that starts with the identification of a campaign and donor and progresses through an evaluating of a donor's known interests and capacity, an initial engagement that culminates in an understanding of the donor's desires, an alignment (where possible) of institutional and donor desires, a clearly defined ask for a measurable outcome, the implementation of the donor's desire, and an assessment of both the implementation of the gift's impact and of the ongoing relationship between the institution and the donor (Figure 11.1).

Although it is not uncommon for institutions facing financial pressures to turn to a fast rollout of fundraising efforts to salvage a budget, quick rushes to donors and premature capital campaigns can be more damaging than fruitful in the long run. Continually build upon development activities by treating each donor as a unique relationship; take the time to go through the process of relationship building, deepening, and alignment; and always be willing to be frank with donors and Boards when gifts or relationships don't align with institutional mission or strategic direction.
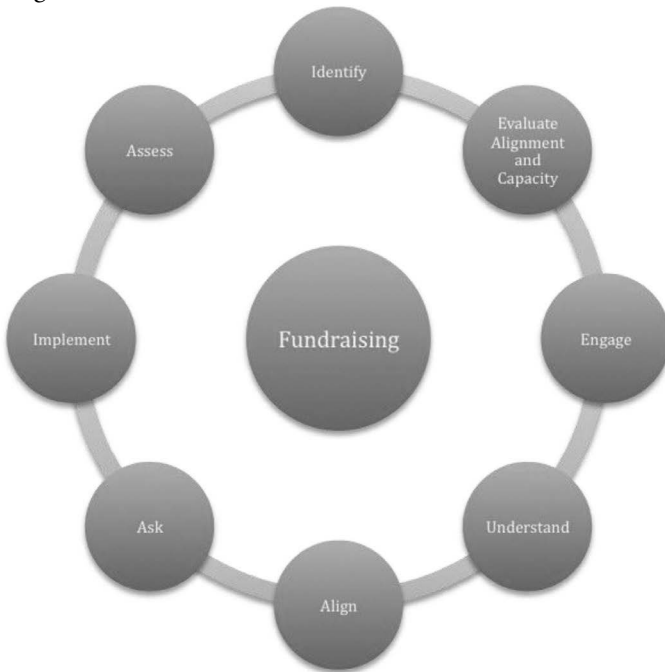
Figure 11.1 The fundraising cycle.

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CHAPTER 12

Financial Management in Higher Education

Neal King and J. Mark Munoz

Financial Management in Higher Education—particularly from a global perspective—is a vast and complex world unto itself. It typically involves some constellation of influencing forces such as governing board, president/rector/CEO, CFO/Comptroller and staff, legislative body, Ministry of Education, and multiple sources of funds.

Across institutions, resource availability and accessibility can be quite diverse. For instance, the citizenry in many countries—through their taxation systems—assure free higher education to all, sometimes including even international students. In the developing world, rectors and presidents almost always cite their battle for resources with a Ministry of Education, which itself must compete against multiple other ministries and departments in an environment of scarcity. In many parts of the world, private colleges and universities are nonexistent, are scarce, and/or have a fairly recent development. For-profit universities have been growing as an industry outside the United States, while decreasing in enrollment and popularity—and coming under increased scrutiny by the government and the media—in the United States.

In the United States, there has been a dramatic shift in the social contract wherein public tertiary education has been increasingly defunded and the cost burden shifted to the student and her/his family. The once highly significant price differential between public and private higher education has shrunk notably. With costs soaring at the same time, graduates accumulate quantities of debt for government subsidized and private loans unheard of in prior generations—often complicating and delaying their entry into full participation in society after graduation—as

parents, homeowners, business developers, etc. Access to tertiary education becomes increasingly limited to those who can afford it, vs. there being a collective investment in future generations—and universal access.

At the same time, there remains a large continuum of financial circumstance for U.S. colleges and universities. Those in charge of managing a school's finances may be overseeing billions of dollars in endowment portfolios, construction bonds, and revenues from donors, grants, contracts, tuition, housing, etc., in both public and private institutions. They will need to calculate the distribution of scholarships and tuition discounting against these variables. Others—perhaps even in the same city—may be overseeing the very lean finances of a small not-for-profit, where there is virtually no endowment, and revenue is upward of 95% derived from tuition. Yet others, public institutions—again in the same community—will join Higher Education lobbyists at their state legislatures as they battle for their share of dwindling state funds, and then go back to their home campuses to design strategies for closing the gaps between costs and revenues. Still others will have received their allotment of revenues/resources from their sponsoring church for a given year's operations (also a less reliable source than before), while those in the for-profit sector will have received their annual revenue expectations from the corporate office. The top five leadership priorities among universities in the United States are: (1) student success initiatives, (2) controlling costs, (3) raising non-tuition revenue, (4) change management, and (5) reinventing the institution (Meyers, 2015).

Financial pressures mount across different directions. Deferred maintenance is on the rise, and the very acreage and charming buildings of the traditional college campus are becoming liabilities that consume more and more precious resources. The United States has seen a still ongoing reconfiguration of the higher education landscape where multiple small traditional liberal arts schools have closed or merged with or been acquired by other institutions. The same has been happening in the not-for-profit professional school sector. Many business leaders, especially in smaller organizations are not well versed in financial management (Lindeloef & Loefsten, 2002). In the United States, the top five financial and reputational concerns of academic leaders are: (1) enrollment declines, (2) national financial outlook, (3) federal college rating system, (4) cybersecurity, and (5) academic program cuts (Meyers, 2015).

The market environment is dynamic, global, and continually filled with opportunities. According to a 2010 study from Harvard and the Asian Development Bank, only 6.7% of the world's population holds a college degree. The top 10 countries for college undergraduate completion, ranked and ordered, are as follows (TIME September 2012): (1) Canada, (2) Israel, (3) Japan, (4) United States, (5) New Zealand, (6) South Korea, (7) United Kingdom, (8) Finland, (9) Australia, and (10) Ireland. (The developing world is clearly not represented here.) Against the global 6.7%, approximately one-third of all Americans hold a college degree. To better understand the gravity of the difference education makes regarding lifetime earnings, The College Board, 2005, shares "The typical bachelor's degree recipient can expect to earn about 73 percent more over a 40-year working life than the typical high school graduate earns over the same time period." Evidentially, it is well worth it financially to earn a degree.

The market evolution also meant shifting influences of gender and ethnicity. By ethnicity in 2003, Americans holding Bachelor's degrees or higher were as follows: Asian (49.8%), Caucasian (27.6%), African American (17.3%), Native American (11.5%), and Hispanic (11.4%). In terms of gender in the United States, the percentage of females completing degrees is increasing while that of males is decreasing. Worldwide, there appears to be a similar trend, as described in the book *The Reversal of Gender Inequalities in Higher Education: An On-going Trend* (Lancrin, 2008).

With diverse forces influencing markets and trends, institutional focus on financial management is critical. The point in broadening the discussion in these ways is that tertiary education internationally is broad, diverse, and not at all static. Hence, its financial management needs not only to look at both the current moment and the historical trends but also look into its own crystal ball to anticipate the fiscal impact of demographic and market shifts, world events, affordability, sources of competition, etc. in order to develop models for sustainability over time. A number of educational institutions are struggling financially (Selingo, 2013).

Many academic institutions have started to think and behave like corporations. Proactive and forward-looking governing boards and administrations are increasingly embracing joint ventures, public–private

partnerships, consortia, and acquisition by investors or merger with other compatible institutions against this shifting environment. In the career of one of this chapter's authors alone, he has seen: a corporate IPO—followed by acquisition by a larger publically traded entity; merger/acquisition by a larger not-for-profit; acquisition by a larger for-profit; and re-casting of the same institution with investor assistance into a new for-profit arm while retaining the original not-for-profit arm. All of these scenarios are common in the United States and abroad as the landscape for tertiary education shifts with the times. We are also seeing more and divestment of units/brands—plus international expansion—by publically traded for-profits as that sector continues to evolve. Financial Managers in Higher Education today increasingly need to be considering all of their options in order to fully satisfy their fiduciary responsibility for their institutions.

The authors established *The Docere Group* (www.doceregroup.com) largely in response to this need. They are finding ample investor interest and funds while at the same time finding that the leadership in many schools seems not to look beyond traditional models—often shuffling leadership, selling off assets, drawing down reserves, or even closing their school —in attempts to address forces they have not encountered before. Having suitable financial resources enables the acquisition of other important resources (Alsos et al., 2006).

The competitive terrain is tough and financially unstable universities are at risk. The mass infatuation with the Massive Open Online Course (MOOCs) phenomenon—as well as the hunger today for alternatives to the often long and expensive processes of acquiring a college degree— suggests that only the most elite and deeply funded institutions can afford to rest on their laurels and assumes that the future will mirror the past. The blows taken to even the most voluminous endowments during the financial downturn of the past decade suggest that even they are not absolutely invulnerable. Risk needs to be managed across four levels: strategic (mission alignment), operational (management process), financial (asset protection), and compliance (adherence to laws) (Mattie, 2007).

The shrinking of the world by social media, online courses (free and not), plus the rise in determination by much of the developing world that they will no longer play second fiddle to the first world in terms of access

and affordability for all citizens of tertiary education suggest that the ground may only have begun to shift under economic and other assumptions of past generations and that all need to be on their toes to remain relevant and sustainable for future generations. The Qatar Foundation, for example, has invested heavily, though its annual World Innovation Summit for Education (WISE) conference, in bringing access and quality in education—from primary through tertiary—to women and men of the developing world. Its establishment of eight branch campuses of U.S. universities in Doha plus establishing its own research university, Hamad bin Khalifa University (HBKU) are emblematic of the dedication of the moneyed developing world to broadening access to higher education. One of the chapter authors, in his work with the *International Association of University Presidents*, sees the hunger for exchange and cooperative programs around the world on the rise.

There are common denominators across all of these variables, and these factors need to be weaved into the planning process. Number one is the bottom line, the need to (often heroically) subject the expenses to the harsh reality of the available revenue. Another is the need for proactivity. Whether managing your billions or scraping for supplies for the classroom, all schools share the need to be vigilant, creative, and actively engaged in serving the needs of the moment while anticipating those of the future. And, the most fundamental of all is serving the students with the best available combination of resources—human and otherwise—to assure a quality education that prepares leaders, professionals, and strong and able citizens of local and the global society. Organizations need to carefully plan the course to obtain operational value (Brinckmann, 2007; Gruber, 2007).

Practicality will likely be the operative word for the contemporary academe. Business organizations typically fail financially as a result of lack of capital access, inadequate control of cash flow, and poorly managed expenses. The diverse forces shaping markets and competition require academic leaders to have the financial acumen to acquire and manage funds strategically in order to meet organizational objectives. There is very little allowable margin of error for poor planning, overspending, and financial miscalculations. Shattock (2004) identified six

attributes of financially healthy institutions: (1) short-term solvency, (2) retention of reserves, (3) effective management of long-term debt, (4) effective management of estate, (5) ability to generate non-state funding, and (6) consistency of budgetary strategy with mission.

Attention needs to be placed on financial planning. Lack of financial resources constrains organizational growth (Cooper et al., 1994). Well-managed resource utilization through bootstrapping can lead to a reduced need for long-term external financing (Windborg & Landstrom, 2000). Administrators need to be skilled in forecasting short- and long-term financial needs, creating budgets, and implementing financial control mechanisms. Effective financial management enhances firm performance (McMahon & Davis, 1994).

Effective financial planning requires proper control and monitoring in order to achieve goals (Delmar & Shane, 2003). Table 12.1 highlights important skills sets that are relevant in financial planning.

While skills are important, asking the right questions is helpful in identifying the right plan. The authors highlight ten (10) approaches to effective financial planning and the relevant questions:

1. *Clarity of financial goals*. Are financial goals in place? Are stakeholders aware of these financial goals?
2. *Cost reduction focus*. Have all avenues for cost reduction and operational efficiency been explored? Has this been ingrained in the corporate culture?

Table 12.1 Essential Skills in Financial Planning

Resource planning	Ability to anticipate short- and long-term resource requirements ahead of time
Budgeting	Understand the financial implications of capital, cash, and operating budgets
Resource acquisition	Knowledgeable in where and how to acquire key resources
Expense control	Skilled in managing expenses
Collection	Able to facilitate timely collections and optimize value of money
Auditing	Keen on audit and control systems
Effective communication	Able to convey important financial messages to stakeholders

3. *Operational enhancement.* Does the organization have high productivity? Which areas need further improvement? How will this be done?

4. *Innovation.* Where can innovation be implemented to best enhance quality delivery and boost efficiency? Can innovation drive down costs?

5. *Market alignment.* Is the financial strategy aligned with current market conditions? What adjustments need to be made?

6. *Creative partnerships.* Can creative partnerships be developed to enhance quality and reduce cost?

7. *Aggressive fundraising.* Has fundraising been optimized? What else can be done?

8. *Strategic pricing.* Is the pricing approach in line with the market? What improvements can be made?

9. *Revenue generation.* How can additional revenue be generated? What can be done better?

10. *Stakeholder engagement.* Are all stakeholders involved in the financial planning process?

Throughout the financial planning process, a clear definition of action steps is recommended. Table 12.2 identifies an action agenda for financial planning.

Table 12.2 Financial Planning Action Agenda

Organizational analysis	Uncover the actual financial position of the organization. Collaborate with the financial team and gather the view of third-party specialists
Identification and communication of financial goals	Create clear financial goals and convey the message to all stakeholders
Market research	Conduct research to validate assumptions and to respond to changing trends in a timely manner
Financial strategy formulation	Develop a well-planned financial strategy
Implementation of financial plan	Implement the financial plan with the support of all stakeholders
Evaluation and review	Review and fine-tune the financial plan

The market environment in higher education leaves no room for complacency. Extensive work needs to be done amidst a complex and constantly changing landscape. Administrators need to be exceptionally vigilant in creating and implementing strategic financial plans. Effective financial management in higher education requires a combination of skill, effort, and discipline. Administrators need to have the skill to manage finances well, an astute mind to plan and execute the agenda with precision, and the discipline to stay on track.

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CHAPTER 13

Conclusion

J. Mark Munoz and Neal King

Introduction

In the past decades, academic institutions have experienced significant changes. Notable changes include the utilization of new technologies to deliver education, online education, rapid internationalization, rising costs, declining enrollment, and many more.

The field of education will be experiencing more rapid and remarkable changes in the coming years. In a report forecasting the future of learning, Knowledgeworks (2014) highlights several areas where changes would likely take place: (1) dynamic environmental linkages, (2) amplified individual competencies, (3) organizational flexibility and innovation, (4) heightened community sensitivity, (5) advancement and democratization of operational approaches, and (6) enhancement in information gathering and intelligence.

These changes require universities to think and act in new ways. Many institutions will face the pressure of dealing with new challenges and tapping into vaguely understood opportunities.

Importance of Organizing and Controlling

The ability to manage institutions professionally and creatively will be critical to success. Attention to the management functions of organizing and controlling will be important.

Creating an effective organization is essential. It is imperative that relationships with faculty, staff, and students will be strong. Relationships with the board, the community, and various stakeholders should be carefully considered. Effective communication is helpful, especially

through the use of innovative means such as social networking. As far as organizational structure and framework is concerned, unleashing the power of entrepreneurship in the academic organization can do wonders, and is increasingly essential.

Academic leaders need to have clear objectives and precise mechanisms in which to measure and monitor performance. Management control in university management means upholding a well-designed plan in pricing tuition, providing student aid, assessment, and strategic fundraising. Ultimately, an institution's long-term success is anchored on its ability to stay profitable and sustainable. A well-developed financial plan can be a valuable tool for success.

The learning points on organizing and controlling are outlined in Tables 13.1 and 13.2, respectively.

Table 13.1 Learning Points on Organizing

Meaningful relationships with faculty, staff, and students	Effective university management means managing stakeholder relationships well. Meaningful relations with institutional cornerstones such as students, faculty, and staff should always be a priority. Best practice suggests that when organizing for success consideration should be placed on the mission and values, integrity, vision and strategic planning, and accountability for execution.
Optimizing Board~President relationships	Several institutional leaderships were marred by poor Board~President relationships. Strategizing for success in this area is not only wise, but critical for any university leader. Synergies and win~win scenarios should be continually sought. Action steps include determining the mission and purpose, hiring and evaluating the president, determining best practices, developing a healthy board culture, and implementing shared governance.
Entrepreneurial mindset	More than ever, university leaders need to think like businessmen and consider cost-value relationships in decisions made. Resources should be capitalized on to achieve optimal returns. Attention needs to be placed on entrepreneurial thinking and action, entrepreneurial assessment, structural and systematic change, operational efficiencies, and concerted effort.
Social networks	The explosion of the Internet age and social networking poses challenges and opportunities for academic institutions. Utilizing the best practices to strengthen stakeholder relationships could be a valuable tool. Thought should be placed on aspects pertaining to social network assessment, desired level of stakeholder engagement, content suitability, and ability to build relationships with stakeholders.

Business and academic linkages	Universities are not stand-alone units, but are part of a broader community. Enhancing community linkages improves its image, enriches learning, and has a positive impact on its sustainability. Creating business support architecture and linkages provides opportunities for education quality enhancement, raised competitiveness, and optimal resource utilization.
City and regional development	Universities face the opportunity to transform not only the lives of its students but also those of residents in the city and region. A proactive posture with initiatives linking academia with government, community, business, and industry leads to countless benefits. Its execution should be anchored on building mutual trust, creating a shared purpose, collaborating to plan for city and regional development, and establishing jointly owned and managed structures.

Table 13.2 Learning Points on Controlling

Pricing and aid	Finding the right balance of pricing and aid has been elusive for many academic institutions. A clear understanding of the market it operates in, the competition, as well as its true mission helps in the identification of the appropriate strategy. Best practices underscore the importance of market-driven empirical basis for setting price and financial aid, understanding the dynamics of cost and aid, discount rate and net tuition revenue, market data and understanding, clear communication, and taking on a long-term perspective.
Enrollment management	Many institutions are experiencing decline in enrollment due to a myriad of factors. Understanding the operational terrain well and the utilization of sound management practices make a significant difference. Best practices point out to the need to consider stage of enrollment management position, engagement with the university community, clear understanding of institutional mandate, and the establishment of an enrollment framework with well-defined goals.
Assessment	Assessment adds value to an institution in diverse ways. It promotes self-understanding and helps set the foundation for the implementation of suitable strategies. Its execution, mission and goal alignment, development of core themes, process identification, stakeholder engagement, and annual reviews are necessary. Identified goals in the strategic plan should have an assessment plan in place along with clear assessment tools and objectives.
Fundraising	With global economic challenges impacting funding campaigns, operational efficiency especially with the alignment of needs of the mission, staff, and the donors is the key. Fundraising is a relationship-building activity and needs to factor in alignment with donor interest and desires, clearly defined ask, implementation, assessment of gift impact, and relationship between the institution and donor.

Financial management	While universities are traditionally nonprofit organizations, a properly constructed budget and financial plan would be helpful in overcoming operational challenges, competitive activities, and market shifts. Financial planning is not solely a function of administrative leaders and staff, but needs to be ingrained in the culture and embraced by the entire organization. It needs to factor in resource planning, budgeting, resource acquisition, expense control, collection, auditing, as well as communication effectiveness. In implementing financial plans, consideration should be placed on organizational analysis, goal identification, market research, financial strategy formulation, plan implementation, and evaluation and review.

The list provided above represents only a small portion of the numerous university management strategies found in the book. The findings suggest that (1) organizing and controlling have an interdependent relationship, a well-organized university has the ability to control operations well, and properly instituted control measures minimize the need for constant re-organization; (2) university organization is a complex process and should consider a diverse range of factors not traditionally thought of as relevant; (3) a well-developed organizational architecture that considers the needs of key stakeholders would be helpful in the organizing and controlling process; (4) organizing in the university setting requires a leader's ability to see both the small and the large picture; leaders need to look beyond the organizational chart and see how roles can be expanded to heighten community engagement and stakeholder relationships; (5) organizing and controlling need to be in line with a rapidly changing market environment; and (6) best practices in management, along with a strong sense of entrepreneurial thinking and financial savvy, can be beneficial to universities.

Value of Self-Assessment

Findings in the book underscore the need to know one's organization well. An organizational self-assessment can help identify areas for improvement in Organizing and Controlling. Asking the right questions can make a difference. An example of helpful Self-Assessment questions is offered in Table 13.3.

Table 13.3 Relevant Questions for Self-Assessment

Organization	Does the organizational structure support the Vision, Mission, and Goals? Is the organization structured in a way that employees and stakeholders can execute their roles well? Are tasks, procedures, and policies clear and understood by the entire organization? Does the organization employ the best practices in recruiting, selecting, training, and developing employees? Is there an assessment and review process in place to monitor organizational efficiency?
Control	Is a management control system in place? Are the control mechanisms in line with objectives? Are standards clear and well understood by all stakeholders? How are need for changes identified and modifications implemented? What reward systems are in place to reinforce top performance?

Taking on an inquisitive, efficiency-seeking management approach can lead to the identification of appropriate strategies.

Pathways to the Future

The various chapters in this book highlight the important attributes of the academic institutions of the 21st century:

Shifting paradigm(s). Working adults are the largest market segment in U.S. Higher Education, with continuing declines in the percentage of undergraduate students seeking a traditional (certainly residential) 4-year education right out of high school. More and more course offerings are presented online. Students (consumers) are looking more and more to clear paths to career preparation, alternatives to for-credit coursework offered by an accredited university to aggregate into a recognized degree (MOOC's, badges, credit for experiential learning). Globally, aided both by the democratization of access provided by new technologies and the determination and investment of major players in the developing world (i.e., Qatar), global demand is increasing for access to a quality and relevant education for all citizens of both genders. Facebook's Mark Zukerberg has announced *Internet.org*, a collaborative venture between Facebook, Ericsson, Qualcomm, Nokia, and Samsung "working together to bring the Internet to the 2/3 of the world's population that doesn't have it yet." The implications of this project for Higher Education are enormous.

Globally linked. There is a need for institutions to truly globalize and tap opportunities overseas. Academic internationalization is driven by diverse motives such as social and cultural, political, economic, academic, competitive, and developmental (Middlehurst, 2007). For some institutions, this would mean recruiting students from other parts of the world and engaging in creative exchange agreements. For others, it would mean outsourcing some of the administrative work functions to lower costs. For others, it would mean recruiting talented faculty members from other parts of the world to ensure the delivery of the best possible education for the students. We are seeing more and more international partnerships in global tertiary education. Academic leaders need to have a high sense of global awareness, be adept at leveraging resources, and passionate about creating a learning organization (Schram, 2011). Since its launch in New York in 2010, over 1,000 universities worldwide have become signatories of the United Nations Academic Impact (UNAI), 10 guiding principles for Higher Education worldwide. Findings of the 2012 International Presidential Forum on *Global Research Universities: Effective Education and Innovative Learning* (Korea) call for *Innovation* in Higher Education; Education, Technology, and Enterprises for *Innovation;* Effective Learning Through *Innovation* in Practice and Technology and Enterprises for *Innovation.* The findings of the (2011) Royal Society Report: The State of Global Science: "Knowledge, Networks and Nations: Global Scientific Collaboration in the 21st Century" include the following: (1) From 2002 to 2007, global investment in R&D increased by $350B, researchers by 1.4 million, the number of published research papers by more than 500,000 (largely from same cities where most R&D is invested). Many of the emerging publishing centers are in Asia; (2) The proportion of scientific papers with more than one international author has been rising steadily—indicating both increased globalization and greater quality in scientific research overall. One measure of increased quality is the increase in citations of papers with the increase in inter-

national researchers involved; (3) The International student population has more than quadrupled since 1975, from 800,000 to more than 3.7 million in 2009 and is an incrementally higher number in 2015; (4) Ingredients of the "Global Citizens" called for in the UNAI include international experience, personal, and professional contacts in various countries and language and cross-cultural abilities to inform their development as researchers and citizens.

Community oriented. Universities need to fully engage multiple stakeholders in a deep and meaningful way. Working closely with local, national, and international communities leads to effective brand development as well as a groundswell of support. Learning together how to live, function, and provide relevant educational experiences to emerging generations worldwide is an imperative that few in the academy have yet to embrace. This is a largely unrecognized imperative as well for policymakers at all levels—legislators, departments and ministries of Higher Education, governing boards, and oversight bodies all have to assume and proactively lead international Higher Education into coherent relevance against the cited swirling currents of change. Higher Education is no longer merely a local matter—nor even merely a national matter.

Innovative and dynamic. Universities should be prepared to change with the times and respond to evolving business conditions. The most successful universities will be those who can create unique approaches that differentiate them and add real value to the student's educational experience. They deliver truly transformative and career-defining experiences for students. Consulting firms such as Docere Group International, owned and operated by the editors, endeavor to help academic institutions create innovative models by finding strategic partners and capital to facilitate growth and innovation.

Academic institutions need to closely link strategic policy formation with execution and provide keen attention to factors such as direction, communication, sponsorship, actions, accountability, resources, incen-

tives, measurement, engagement, feedback, and passion and enthusiasm (Kennie, 2007).

Resiliency and innovation make a difference. Many academic have survived natural calamities, wars, financial crisis, and a host of other challenges. Many have decided to do the "right" thing and serve the best interests of stakeholders. Their ability to adapt and reinvent themselves led to success.

In years past, the chosen strategy of the university's leadership team led to either triumph or demise. In a highly competitive and constantly evolving market environment, finding the right management bearings and executing the strategies well should be a sound playbook toward a major victory.

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List of Contributing Authors

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6. Arthur F. Kirk served as president of Saint Leo University from 1997 until his retirement in July 2015 when he was named President Emeritus. Kirk completed a successful 13-year presidency of Keuka College prior to his tenure at Saint Leo. Kirk specialized in turning around failing institutions and leading them through transformational change and development by emphasizing mission, values, vision and planning, and accountability for execution. During Kirk's tenure Saint Leo grew by over 9,000 students on campus, online and at over 40 regional centers in seven states and more than tripled campus enrollment, added nearly 1,000,000 square feet of campus buildings, increased the faculty fourfold, the endowment by 850% and net assets 750% and became a Chronicle of Higher Education "Great College to Work For Honor Roll" institution. Kirk speaks and writes extensively on a wide variety of topics including organizational culture and change and technology in higher education.

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12. Dr. Mac Powell is the seventh president of John F. Kennedy University and led the institution to historic financial success, the receipt of the federal Hispanic Serving Institution designation, and in the transition to becoming a serving-learning institution. He serves as a Commissioner for the American Council of Education's Commission on Educational Attainment and Commissioner on the Western Association of Schools and Colleges Senior Commission, and he previously served as Editor-in-Chief of the Journal of Performance Psychology and Chair of the Council of Applied Master's Programs in Psychology. A graduate of the WASC Assessment Leadership Academy, Dr. Powell's recent scholarship focuses on the role of accreditation in consumer protection, educational attainment, and the challenges of rising tuition costs for students.

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J. Mark Munoz • Neal King (Eds.)

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Dr. J. Mark Munoz is a professor of management and international business and interim dean at the Tabor School of Business at Millikin University in Illinois. He was a former visiting fellow at the Kennedy School of Government at Harvard University. He is a recipient of several awards, including three Best Research Paper Awards, an International Book Award, a literary award, and the ACBSP Teaching Excellence Award, among others. Aside from top-tier journal publications, he has authored/co-authored/edited 10 books, such as, *Winning Across Borders, International Social Entrepreneurship, Contemporary Microenterprise, Business Plan Essentials, Hispanic Latino Entrepreneurship, and Handbook on the Geopolitics of Business*. The Academy of Global Business Advancement recognized him as a Distinguished Scholar.

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