

Strategy, Innovation, and Change: Thriving in Higher Education

Kevin J. Wachtel, DBA, MBA

DeVoe School of Business, Leadership, and Technology
Indiana Wesleyan University

kevin.wachtel@indwes.edu



Evangel University, located in Springfield, Missouri, is a comprehensive Christian university committed to excellence in educating and equipping students to become Spirit-empowered servants of God who impact the Church and society globally. For over 90 years, Evangel University has produced Spirit-led professionals in the marketplace and ministry (Evangel University, n.d.). Before this project began, Evangel hired a new president, Dr. Mike Rakes. During the initial partnership presentation, he expressed concern that he had a structural issue impeding agility and change quality. This concern formed the initial focus and direction for the investigation and research for the institution (M. Rakes, personal communication, December 6, 2021).

The university offers 70 academic programs, 19 master's and doctoral degrees, and approximately 2,200 students. The traditional Undergraduate Studies, Assemblies of God Theological Seminary, and College of Adult and Graduate Studies make up the three structures of the student body.

Problem Identification

Five fundamental problems were identified after the initial onsite assessment and structured interviews with Evangel staff. Responses and detailed comments were documented, and common themes emerged.

1. The university lacks a detailed and integrated strategic plan to guide priorities, and there are no detailed targets in the strategic imperatives. The third plan published in as many years is the Valor Vision 2025 Strategic Plan.
2. Poor financial performance is impacting the setting of priorities and decision-making.
3. There is a 10-year trend of decreasing total enrollment.
4. Distinct silos exist in operations and academics that impede communications and collaboration.
5. There is ineffective use of internal resources and little role clarity.

The strategic approach of Evangel University is not directed towards long-term financial improvements, nor does it consistently position the university for future strategic focus areas. The critical opportunity was improved financial performance. For five of the last six years, Forbes graded Evangel's financial strength at a grade of D. Internal silos negatively impact communications, decision-making, prioritization, and focus on initiatives. Evangel may look at restructuring to successfully achieve the Valorize 2023 Strategic Plan. Developing and implementing a formal organizational change management methodology and a defined set of key performance indicators (KPIs) are also imperative. The KPIs were developed, but roll-out and communications were limited in audience and venue.

Diagnosing the Problem

The presenting problem at Evangel University was multifaceted and complex. Issuing multiple strategic plans without internal alignment and leadership contribution confuses staff. There is also no connectivity to the current financial and enrollment challenges. There was little engagement in writing the plans and no alignment between the three main organizations. The strategies were not detailed and did not contain any measurable targets. Communications and decision-making processes have not been a focus. The draft key performance indicators were not regularly published or disseminated to the organization. The university has a downward trend for enrollment and continues to receive poor financial ratings from external sources.

This study focused on identifying potential causes of the issues and concerns, directed by a driving research question: What mechanism is most appropriate to generate actions and changes that will strengthen operational execution, increase innovative thinking, improve decision-making and communications, and positively impact enrollment and financial performance trends, enabling the university to fulfill its mission statement?

Exploring Potential Solutions

The following questions guided the secondary data search for the literature review:

1. What approach to strategic planning creates a cadence of accountability and a results orientation that drives innovation and performance improvement?
2. What business model has positively changed the financial and operational results in a university or business firm setting that would be appropriate for Evangel University?
3. What theoretical and conceptual organizational models inform the establishment of a constructive culture versus a passive or aggressive culture?
4. How can Evangel become a change agent role model that other universities could emulate?
5. What attributes of the organizational change management plan are critical to achieving results?
6. What KPIs are currently used in higher education to identify the impact of innovation, communications, and the speed and quality of decision-making that Evangel should consider?
7. Which KPIs are critical to track the improvement of overall performance results?

Multiple Perspectives Inquiry

Contextual inquiry was the foundational methodology used in data collection and evaluation.

Contextual inquiry is literally inquiry of context. It is a method where participants are observed while they perform tasks and simultaneously talk about what they are doing while they perform them. The key difference between contextual inquiry and other user research methods is that participants must take a more active role in leading their session in contextual inquiry. (*Contextual Inquiry*, n.d. para. 1)

Interviews and guided group discussions required that the participants step the researcher through the processes and decision-making they usually perform and provide insight and commentary on issues, concerns, and challenges. Participants engaged as process and subject matter experts (Davis & Beidas, 2021). This approach collected input identifying challenges and weaknesses at Evangel University.

The onsite interviews started with the following list of eight helpful questions:

1. What is right? (Optimize)
2. What is wrong? (Change)
3. What is confused (Clarify)
4. What is missing? (Add)
5. Where are we succeeding? (Reinforce)
6. Where are we failing? (Regroup)
7. Where is our leverage? (Mission Critical Pressure Points)
8. Where is God leading us? (Discernment)

Each question included a parenthetical orientation of what the answers might indicate for action. For example, in areas where the organization is succeeding, how do they look at that list and reinforce those actions or areas in the recommendations? SWOT and TOWS analyses were completed to validate the repeated themes derived from the onsite interviews. The academic research explored high-performing organizations inside and outside higher education to identify gaps within Evangel. Discussion content was collected in handwritten

notes, and the groups were coded to protect the employee group participants. The notes were sorted thematically by summarizing and categorizing the content using the Padlet app.

Next, potential solutions were identified based on secondary data from the literature review and the primary research results. They were then evaluated and scored using the McKinsey 7-S methodology and tested utilizing risk and gap analyses. The solutions selected to present and discuss with Evangel leadership were (a) improve financial and operational results using Valor Vision 2025 to focus the university on the strategies, objectives, and tactics that will strengthen the organizational design; (b) establish and communicate KPIs focused on innovation-driven results; and (c) strengthen communications and decision-making, staff confidence, and student results. Evangel's leadership unanimously agreed with the recommendations.

Change Management Approach

A hybrid change management model was developed to support implementing the selected solutions. The model's core is Kotter's 8-step process with the essential components of creating urgency, forming a powerful coalition, creating a vision for change, communicating the vision, removing barriers, creating short-term wins, building on the change, and anchoring the change in the organization. Larger scale and more complex systemic changes require more complex and sophisticated buy-in, broader collaboration, and the engagement of more diverse groups of stakeholders, so two additional models were added (Graves et al., 2023).

The first hybridization was adding the benefits realization model to change management. The approach starts with two questions: Can the proposed change deliver the intended results? Are the benefits aligned with the strategy of the organization? This method allows benefits from one solution to improve the potential benefits derived from other solutions (Waring et al., 2018).

The second hybridization includes the nudge theory in the change management model. Nudge theory reinforces the notion that many employees will need a series of nudges towards engaging and embracing change while not restricting their choice to participate at any level. An organization defines the outcome and communicates what the change is to achieve and why it is essential. Identifying obstacles and constant brainstorming to overcome what may inhibit people can strengthen change management (Smith, 2021).

The recommended additions to the university's current strategic plan drive the recommended timeline for implementation. This recommendation presumes an organizational change management approach that uses the foundation of Kotter's 8-Step change model as part of a hybridized approach that includes the benefits realization model and nudge theory to strengthen measurement by declaring the targeted results.

The *current* strategic objective of Valor Vision 2025—expanding EU's brick-and-click reach to become a nationally known university—now becomes the *recommended* strategic objective:

Expand EU's brick-and-click reach to become a nationally known university by achieving Newsweek America's Best Online Learning School in the top 200 rated schools (currently not on the list) and the Forbes America's Top Colleges Top 500 list (currently not on the list), by 2027.

The change management plan outlines the following implementable action items:

1. Define organization KPIs that describe performance results in the critical areas of the university, including enrollment, financial results, student satisfaction, and degree completion.
2. Establish and roll out a structured innovation model and plan throughout the organization.
3. Review possible academic and degree restructuring by Q4 2024.
4. Commit to strategic planning immediately.

Furthermore, every department in Evangel University should know what specific strategic actions they must accomplish to ensure the university achieves each strategic imperative within the time targets established during planning. Involving the entire organization requires cascading the 3–5 strategic imperatives and requiring each department and function to align department plans to those targets.

To unify the organization on data-informed results, the university must develop a dashboard to identify key performance indicators directly related to the Evangel strategic imperatives. Each division should be able to see its results, the other division's results, and the overall university-level results. Cascade (2022) studied and identified the most common KPIs within higher education. Several of the more pertinent ones include:

Financial	Actual results versus budget – Revenue and operating margin
Financial	Scholarships as a percentage of revenues
Financial	Endowment fund market value versus target
Enrollment	Retention rates, overall and against the target
Enrollment	Accept rates, overall and against the target
Enrollment	Student graduation rates
Enrollment	Diversity demographics, retention
Student	Student Satisfaction or Net Promoter Score

The university has many dedicated, passionate, and faith-filled staff. The new university president brings a different energy to the campus and has generated record giving to Evangel. This momentum must translate into making the strategic plan an active and valuable tool. Every organization member should know how the university performs against key performance indicators (including knowing the KPI definitions and their formulations) and what the trends mean to them. A new spirit of innovation should inspire staff ideation, and selecting a tool like Adobe Kickbox can speed up adoption. Students, staff, and leadership will feel and see the difference, and the Glory will be to God.

References

- Cascade Team. (2023, March 10). How to write KPIs in 4 steps. *Cascade*.
<https://www.cascade.app/blog/how-to-write-kpis>
- Contextual inquiry*. (n.d.). *Think design*. Retrieved September 22, 2023, from <https://think.design/user-design-research/contextual-inquiry>
- Davis, M., & Beidas, R. S. (2021). Refining contextual inquiry to maximize generalizability and accelerate the implementation process. *Implementation Research and Practice*, 2, 1–4.
<https://doi.org/10.1177/2633489521994941>
- Evangel University. (n.d.). *History*. Retrieved January 17, 2022, from <https://www.evangel.edu/about/university-overview/history/>
- Graves, L., Dalgarno, N., Van Hoorn, R., Hastings-Truelove, A., Mulder, J., Kolomitro, K., Kirby, F., & Van Wylick, R. (2023). Creating change: Kotter's change management model in action. *Canadian Medical Education Journal*, 14(3), 136–138. <https://doi.org/10.36834/cmej.76680>
- Waring, T., Casey, R., & Robson, A. (2018). Benefits realisation from it-enabled innovation. *Information Technology & People*, 31(3), 618–645. <https://doi.org/10.1108/itp-06-2015-0151>