

Transforming Private Universities: An Exploratory Study

Anna P. Drake

William L. Sparks, PhD

McColl School of Business
Queens University of Charlotte
Charlotte, North Carolina 28274, USA.

Abstract

This paper explores key factors supporting institutional transformation in private, non-profit universities in the Southeast. Beginning with a review of relevant literature on higher education today, organizational transformation, and change in colleges and universities, it proceeds to analyze the successful growth and change achieved by Belmont University, High Point University, and Elon University over the last seven years. Through interviews with key leaders at each institution and subsequent thematic coding, the study identifies nine critical factors supporting transformational change in private universities: focused, visionary leadership; strategic planning; building facilities, then endowment; expansion of graduate programs; intentional community relations; faculty and curriculum development; mission-centrism; market niche, and lower-need students. The study finds key differences in financial management, pace of change, and stage in the transformation process. The author recommends further study in these areas as well as in the sustainability of transformational change in the university setting, the relationship between presidential leadership and strategic change, and in the effectiveness of strategic planning frameworks.

Keywords: institutional transformation, organizational change, private universities

Introduction

Today's colleges and universities exist in a competitive market full of unprecedented change. With the arrival of the new millennium, the original intent and purpose of the American university require attention and adaptation to remain relevant to today's students. In an environment plagued by questions of financial value and educational impact, the need to teach new and different skills to a shifting workforce, colleges and universities must reassess their quality and relevance in order to fulfill their common mission of educating students for the workforce and world.

This study will explore successful transformational change at the institutional level within the context of private, not-for-profit universities. Through a case study approach to three rising institutions – Elon University, Belmont University, and High Point University – the study will identify the effective strategies each employed to drive and achieve significant organizational improvement and raise its institutional profile. Each of these three universities has shown above-average growth in enrollment and rankings relative to peer institutions over the last five to seven years. The intent of this paper is to examine the ingredients of successful transformational change and to formulate recommendations to support the improvement efforts of other private universities.

This paper will apply Greiner, Cummings, & Bhambri's (2003) definition of successful strategic transformation as a combination of large-scale internal organizational change, major external change in market position, and greatly improved financial performance. This study will also refer to Frahm's (2007) definition of organizational change as a conscious, strategic decision to achieve or enhance competitive advantage. Open-systems theory, teleological theory, and the concept of revolutionary change will also inform this research, providing a lens for exploring the role of the external environment, a whole systems view of the institution, and organizational development based on goal formulation and intentional progress toward an identifiable end state.

Rather than continuous, evolutionary change, this study will explore revolutionary change based in strategic reorientation and commitment to rapid improvement. To establish a foundation for further study of institutional transformation in private universities, the following literature review will offer a comprehensive overview of three main areas: the environment and context for higher education today; theories and methods related to transformation at the organizational level, and the existing research on organizational transformation in higher education institutions.

Literature Review

The Context and Environment of Higher Education

Surveying the field of higher education in the U.S. today reveals a number of pressing challenges and trends. The rising cost of tuition, scrutiny over educational impact, questions of quality, accreditation and standards; financial aid structures, marketization of education, and the need to adjust curricula to meet contemporary demands all challenge today's colleges and universities to respond and remain relevant in a rapidly-changing modern world.

History. Collectively, American colleges and universities have changed little over time. Menand (2010) argued that perhaps the most notable characteristic of the American system of higher education is its age: at over a hundred years old, today's system remains a product of the 19th century and has not changed significantly since World War I. As noted by Arum & Roksa (2011), original universities were established to prepare religious leaders in the 1880-1910 era, but began to include more technical and professional programs and focus on the generation of scientific knowledge following World War II. Kerr (1987) acknowledged that original American universities were intended for theology, teaching, medicine and law, and such schools enrolled only 1% of university-aged Americans. With changes in the labor market, business and the industrial age, the function of post-secondary education has shifted accordingly. Though universities have traditionally embraced academic and moral education as their function and purpose, Arum & Roksa (2007) found that higher education today focuses increasingly on cultural and social development, networks, and relationships. Bonvillian & Murphy (1996) argued that after World War II, schools became providers and students became consumers.

University enrollment and funding remain highly-dependent on external conditions. Bonvillian & Murphy (1996) noted that smaller schools have been particularly vulnerable to slight changes in enrollment due to the burden of high fixed overhead costs. Despite external shifts in demand and function, Kerr (1987) argued that internally, universities have remained among the least-changed American institutions. In the late 20th century, Kerr (1987) saw higher education's biggest challenge as the need to reconcile expanded educational opportunities, the development and adaptation of new systems and skills in a global world, and traditional heritage based on training students in morals and the humanities.

Impact and assessment. Rising tuition costs have increased public scrutiny over the impact and value of higher education. Arum & Roksa (2011) argued that today's American colleges and universities rarely prioritize undergraduate learning, student educational gains are low, and actual learning is limited and inconsistent both within and across institutions.

Government-mandated accreditation produces varying perspectives on standards and quality. Neal (2008) argued that accreditation may actually undermine quality through its inherently protective, subjective nature. Kuh & Ewell (2010) concluded that while accreditation provides the main catalyst for institutional assessment, the data provided is used primarily for decisions about resources, policies, and faculty/staff performance, rather than improving educational outcomes. Whitt, Kinzie, Schuh & Kuh (2008) recommended the Inventory for Student Engagement and Success (ISES) as a template for assessing the extent to which policies, practices and learning environments are educationally effective.

Tuition and enrollment trends. Tuition and enrollment have both demonstrated notable increases over the last decade. Kinser (2010) noted that federal and state student aid to students at private institutions grew by more than 80% between 1998 and 2008, but still not enough to counter tuition increases. Private colleges and universities provided over \$29 billion in institutionally-funded aid to students in 2007-2008, a 78% increase over the prior ten-year period. Kinser (2010) argued that the challenge of affordability increases competition among private institutions and provides a barrier to enrollment growth. Kinser (2010) also found that higher education enrollment in general grew by 27.3% from 1996-2007, a 15% greater increase than occurred from 1980-1995.

The last ten years also show a dramatic surge in private for-profit enrollment, with the for-profit market share of private higher education enrollment increasing by over 4%, and non-profit market share falling 1%. Kinser (2010) also found little change from 1996 to 2007 in the overall number of private nonprofit colleges and universities. Kinser (2010) also found that baccalaureate colleges in the arts and sciences showed the smallest enrollment increase. Private nonprofit institutions emphasizing professional and applied fields have demonstrated increasing success during both the 1980-1995 and 1996-2007 periods. Despite increasing tuition, private institutions overall showed greater enrollment gains than their public sector counterparts from 1996-2007. Kinser also (2010) concluded that the “death rate” of private nonprofit institutions increased in the 1996-2007 period compared to the prior period.

Changes in financial aid. The field of higher education has seen far-reaching shifts in financial aid and admissions as a result of demographic and economic developments in recent decades. As Toby (2010) noted, in 2007 the College Board reported that tuition and fees had risen more than double the rate of inflation, and more at public institutions than private. According to Arum & Roksa (2011), the cost of private higher education increased from \$9,903 to \$25,413 between 1978 and 2008, and from \$2,303 to \$6,585 in public institutions. Within the same time period, private-sector student loans increased 700%, and average student-loan debt per borrower increased 18%. Arum & Roksa (2011) noted that federal policies shifted financial aid from institutions to individuals, ultimately creating a market system for higher education characterized by a limited number of selective institutions.

Many higher education institutions have shifted from student selection to competitive recruitment. The rising prevalence of the Enrollment Management office affirms this trend. According to Kraatz, Ventresca & Deng (2010), Enrollment Management is an administrative structure that strategically combines financial aid and admissions departments in order to facilitate the use of financial aid to achieve and maintain desired enrollment levels, attract top students, and meet financial goals. Kraatz, Ventresca & Deng (2010) argued that discounting threatens organizational values and allows a market orientation to overshadow educational ideals and may result in diverting financial aid away from the neediest students. Kraatz, Ventresca & Deng (2010) attributed the rise of the Enrollment Management structure to escalating competition for students and tuition income; the rise of college rankings and increasing focus on status; declining governmental support, and a greater overall trend toward marketization in higher education.

Organizational Change and Transformation

Van De Ven & Poole (1995) defined change as “an empirical observation of difference in form, quality, or state over time in an organizational entity” (p. 512). Kezar (2001) argued that based on its timing and implementation, organizational change may occur as either evolutionary change, revolutionary change, or somewhere on the spectrum in between. According to Warrick (2011), organizational transformation means that all facets of an organization, aside from core values, are subject to change in an effort to strengthen the organization as a whole. Warrick (2011) also argued that transformational leaders play a key role in the success of a major change effort by conveying vision, values, direction and inspiration. Greiner (1967) argued that successful change results most often from severe pressure that notably shifts the organizational foundation; intervention and reorientation through an outside consultant or new leader; diagnosis that begins at the top and cascades downward, and clear commitment to institutionalizing the change.

According to Davis, Kee & Newcomer (2010), instituting change requires three phases: visioning, strategy, and implementation. Change requires ongoing dialogue and engagement through a common language and vocabulary, with leadership primarily responsible for developing and articulating the vision, assessing the risk involved, and determining the organization’s capacity to overcome associated barriers. Obloj, Cushman, & Kozminski (1995) described transformational “breakthroughs” as a “simultaneous and sharp shift in strategy, power, structure, and controls” (p. 156). Obloj, Cushman, & Kozminski (1995) identified four critical factors of successful breakthroughs: a clear goal that forms an easy-to-explain core concept; the idea of a breakthrough itself must be absorbed into the organization’s values and dreams; leadership models breakthrough behavior from the top and is directly involved in action and change, and changes must become a normal part of operations and subject to continual improvement. Frahm (2011) identified communication as a critical component of successful change management..

Defining transformation. Warrick (2011) defined organizational transformation as “an on-going process of knowing present realities, identifying future ideals, and developing and implement a process” (p. 16). Greiner, Cummings, & Bhambri (2003) defined successful transformation as a combination of large-scale internal organizational change, major external change in market position, and greatly improved financial performance. Greiner, Cummings, & Bhambri (2003) found this trifecta critical because “today’s organization was typically designed years before and subsequently conditioned to implement yesterday’s strategy” (p. 3). Greiner, Cummings, & Bhambri’s (2003) 4-D theory of strategic transformation outlines four key factors: the focus and sequence of intervention phases led by the CEO; the CEO’s personal action orientation; the organization’s degree of receptivity toward change, and enabling or prohibiting elements in the external market environment. According to Davis, Kee, & Newcomer (2010), strategic transformation is a “process-based approach designed to deliver a set of defined initiatives (projects) that achieves a desired set of goals, and involves key stakeholders (internal and external) in the process. The process involves a definition of these goals, and the definition of specific plans (initiatives) that are designed to achieve these goals” (Davis, Kee, & Newcomer, 2010, p. 67).

Kotter (1995) argued that the change process requires a series of phases. More than half of all companies fail in the first phase of their change efforts, often because they underestimate the difficulty of the process, overestimate the established sense of urgency, lack patience, and fear negative consequences, loss of morale, defensiveness among team members, loss of control, blame, or poor short-term business results. According to Kotter (1995), change. requires a high level of urgency; ideally, 75% of management feels convinced the status change is unacceptable. Kotter (1995) called for a clear and appealing vision for the future, communication shared through every possible channel, executives that embody the change effort, and the intentional creation and celebration of short-term wins to maintain momentum.

Organizational effectiveness. Davis, Kee, & Newcomer (2010) defined effectiveness as an “organization’s ability to accumulate and integrate skills, strategic capabilities and processes using multiple modes of strategy making, yielding higher levels of performance” (p. 78). Adler & Shper (2010) found that successful companies include two common characteristics: a humanistic style of management that prioritizes people, and the dominance of long-term purposes over immediate benefits. Adler & Schper (2009) concluded that strong organizations have clear goals for the future, no rigid hierarchy, a high level of mutual trust among coworkers, no major inequalities of income or opportunity, and a system to support the ongoing exchange of knowledge and opinions. Burton & Moran (2009) described the most highly-effective organizations as “future-focused,” achieving competency-based purpose and alignment with their customers’ culture. Future-focused organizations constantly assess and and adjust their focus, while simultaneously projecting into the future to determine what the shifting landscape around them will bring. These organizations identify and maximize core competencies, maintain an awareness of the marketplace, and identify gaps and barriers they must overcome in order to succeed.

Davis, Kee, & Newcomer (2010) found that “building the capacity for transformational change is a key to the long-term survival of the organization” (p. 73). Davis, Kee, & Newcomer (2010) also argued that strategic transformation can only occur through change in both the organization’s design and its relationship with external stakeholders. To determine where to focus improvements, Obloj, Kushman, & Kozminski (1995) argued that organizations pinpoint the intersection among their strategy, environment and competitive advantage.

According to Burton & Moran (2002), the most successful, forward-looking organizations focus on cultural change factors over traditional operational factors, and emphasize their purpose over their vision. To support change efforts, Obloj, Cushman, & Kozminski (1995) advocated benchmarking, ongoing organizational coalignment, and environmental scanning as valuable practices. They noted that change-related tensions typically develop between the need to balance stability and change; centralization and delegation of power; and growing complexity of the system with transparent and simple management. Obloj, Cushman, & Kozminski (1995) also noted that organizations responding the most readily to change had leaders who focused performance efforts around teams, not individuals.

Light (2005) found five key ingredients of successful performance improvement: a strategy that sharpens the mission and measures results; an internal structure that delegates authority for routine decisions and invests in new ideas; leadership that fosters open communication; resources that increase access to information, and incentives that encourage and reward strong performance.

Much like Kotter, Light (2005) advocated six steps for managing change. According to Light (2005), a preliminary step must include the question of whether change is possible; if so, the organization selects the vector for change and sets about managing the velocity of the implementation process by: 1) creating a sense of urgency; 2) removing barriers to success; 3) recruiting change champions; 4) building internal momentum; 5) proving the success and value of the change, and 6) continuing to experiment. Davis, Kee, & Newcomer (2010) argued that no single approach can integrate all dimensions of the individual, organization and wider environment; change requires purposeful design from a systemic perspective. Organizations must understand the purpose and perspectives of all stakeholders, and leadership frameworks must embrace collaboration over a command and control approach.

Change and Transformation in Colleges and Universities

This section of the literature review will explore the intersection between organizational change efforts and higher education, highlighting prevalent challenges and trends.

Challenges. Change in higher education faces an array of obstacles. Kezar (2009) argued that barriers to change in higher education include the presence of many stakeholders, the lack of synchronized processes and plans, multiple priorities, leadership turnover, and the adoption of ill-fitted practices from peer and aspirant institutions in an attempt to remain competitive. Kezar (2009) noted that higher education culture emphasizes individual rewards and accomplishments, but must move toward the more team-oriented rewards structures seen in the corporate realm. Kezar (2009) acknowledged the short terms of presidents, administrators and board members – presidents averaged 7 years in 2007 and trustees' terms average two to four years – and the challenge of sustaining change that often takes 10-15 years to implement fully. Bonvillian & Murphy (1996) assert that nonprofits and institutions of higher education frequently exhibit “problem-blindness” and rely on limited information when defining issues and making decisions. Kezar (2009) argues that successful institutions agree on a small number of priorities aligned with their mission, needs, and shared stakeholder interests.

Colleges and universities struggle for a variety of reasons similar to those that challenge organizations in other sectors. Paul (2005) argued that Argenti's (1976) causes of institutional failure reflect key barriers to success in college and universities: neglectful accounting, failure to respond to environmental changes, the tendency to over-reach by expanding beyond available resources, launching new initiatives that stretch existing resources, and over-leveraging resources and increasing vulnerability to market fluctuation. Paul (2005) found that the lack of hard outcome measures in nonprofit institutions allows the perpetuation of low-performance environments.

Drew (2010) found that the most significant challenges facing higher education institutions include the need for strategic leadership, flexibility, creativity and change-capability, maintaining academic quality, the ability to respond to competing tensions and remain relevant. Drew (2010) noted that administrators frequently underestimate faculty resistance and fail to gain widespread consent within an academic culture that values cooperative decision-making. Bonvillian & Murphy (1996) noted that faculty members often disapprove of conceptual frameworks or planning vehicles that resemble traditional business practices, including strategic planning and decision-making based on environmental scanning and assessing market conditions. Bonvillian & Murphy (1996) asserted that conflict between faculty and administration results from competing demands of internal and external stakeholders. Faculties often fear curricular development will fall subject to marketing rather than the service of the institution's educational mission.

Marshall (2010) found that despite dramatic and widespread changes in technology systems and availability, colleges and universities generally lack a strategic framework or change mechanism for integrating technology into learning and pedagogy. Marshall (2010) noted that institutions' natural tendency is to protect their existing structures, particularly when they appear successful. Marshall (2010) argued that the lack of evidence to support technology as a valuable teaching tool provides a barrier to changing established pedagogy. Marshall (2010) also noted that higher education leaders have proven better able to drive significant change from the top-down when universities are in a state of recognized crisis, are small, are notably outdated in their practices, and function through autocratic leadership.

Wagenge-Ouma & Langa (2010) argued that isolating a definition of excellence poses the greatest challenge to the field of higher education today.

Despite their common goals and shared commitment to the greater good, Wangenge-Ouma & Langa (2010) concluded that most claims of excellence made by colleges and universities are not grounded in reality or evidence, but rather formulations intended to market their institutions to customers. Unfortunately, Wangenge-Ouma & Langa (2010) found that consumers often overlook the difference between quality and reputation.

Competition has become an inescapable reality of the higher education environment. Bonvillian & Murphy (1996) argued that small schools find it increasingly necessary to develop aggressive outreach strategies, emphasize their differentiating characteristics, expand their professional programs, and pursue students who might otherwise prefer a larger institution. Ozdem (2011) argued that globalization, privatization, accountability, accreditation and governance have inspired the use of strategic planning and total quality management in educational institutions. Accordingly, Paul (2005) noted that the increasingly-competitive market for higher education may result in an increasing alignment in the strategies of for-profit and nonprofit institutions. Paul (2005) argued that due to the difficulty of objectively measuring quality and value, reputation and prestige have become prized goals for educational institutions.

Ozdem (2011) and Paul (2005) both acknowledged the increasing prevalence of strategic planning in higher education. Because governance is shared by the president, board, and faculty, institutions of higher education often find mobility and change difficult. According to Cowan (1993), institutional turnaround requires a president that acknowledges problems, mobilizes the community, initiates and monitors improvements, and communicates a clear sense of purpose and vision.

Research Question

With a foundation in the existing literature on higher education and organizational change, this study explored the factors and strategies that successfully supported institutional transformation in three private, not-for-profit universities.

Methodology

The case study approach was selected to facilitate comprehensive exploration of programs, events, activities, and processes (Creswell, 2009). This research employed a holistic, multiple-case design, adopting an institutional-level perspective rather than isolating a smaller subset of each organization. The study was based in open systems theory, which views entities and their environment as operating in a process of constant interaction (von Bertalanffy, 1951); teleological theory, which emphasizes purposeful development toward an end state (Van de Ven, 1995); and the concept of revolutionary change, which includes a more dramatic, rapid, and intentional departure from norms than its counterpart, evolutionary change (Kezar, 2001).

Participants

The researcher identified Elon University, Belmont University, and High Point University as case institutions based on enrollment growth and elevation in rankings relative to their peers of comparable size, programs, and selectivity in the Southeast. This study focused on not-for-profit, private universities with both liberal arts undergraduate programs and professional graduate programs. These criteria were developed based on key growth indicators identified through review of the existing literature on higher education and perspectives on institutional transformation, as well as through data available on peer and aspirant universities at the researcher's institution. Geographic proximity and accessibility for interviews also played a role in the final selection of institutions for case study. As noted, this study applied Greiner, Cummings, & Bhambri's (2003) definition of transformation as a combination of large-scale internal organizational change, major external change in market position, and greatly improved financial performance. The study also applied Frahm's (2007) definition of organizational change as conscious, strategic effort intended to enhance competitive advantage.

Data collection

To understand each university's approach to the process of change and institutional improvement, the researcher performed semi-structured, open-ended interviews with the President, Provost (Chief Academic Officer) and Chair of the Board of Trustees at each institution. These positions were selected as interview subjects due to their senior leadership roles and responsibility for institutional success.

Each role also represents a unique area and perspective: the President is chiefly responsible for ensuring the organization meets established overarching goals; the Provost serves as the key implementer of the university's vision, as he or she is responsible for its academic performance, and the Board Chair brings a volunteer perspective and represents the body that holds the President accountable to institutional goals. Identifying three interviewees for each institution allowed for the triangulation of data, establishing converging lines of evidence to ensure consistency and validate findings. Each interviewee received an e-mail request to participate. Upon their response, the researcher connected directly with each leader's office to schedule time, and subsequently traveled to each campus to interview all Presidents and Provosts in their university setting. The researcher scheduled and conducted Board Chair interviews by phone following the completion of live interviews with aforementioned staff. All interview participants received an overview of the researcher's study, the interview format, and the interview questions via e-mail in advance of their interview.

Interviews were recorded to ensure accuracy in later analysis. Each participant signed a Case Release Permission Form indicating their willingness to share the information discussed in the interview for the purpose of this study. Each interview lasted approximately one hour. Interviews followed a semi-structured interview protocol based on Brinkerhoff's (2003) Success Case Method. Interview questions focused on the following key "what," "how," "impact," and "learning" areas: *what* changes the institution undertook; *how* the institution implemented those changes; the *impact* of change strategies, and the *learning* that resulted from the change process. 20 interview questions formed the basis of each conversation. The interview protocol served as a guiding point to focus content and provide a parallel framework for information collected about each institution. The six live President and Provost interview recordings were professionally transcribed. The researcher transcribed three Board Chair interviews performed by phone. Transcriptions were reviewed to verify accuracy.

Data analysis

Using qualitative data analysis software NVivo9, interview transcripts were categorized and coded according to 29 themes. These themes were identified based on patterns emerging in the literature review, then further developed based on review of the interview data. After coding each interview, the researcher performed statistical queries to determine the most prevalent themes coded in each conversation, to identify patterns and trends among themes and interviews, and to draw conclusions based on similarities and differences across all three institutions.

Findings and Discussion

Based on the collection and subsequent analysis of coded data, the following will explore key areas of interest that arose in the study of each institution. Though each institution reflects unique contextual, programmatic and market characteristics, the three presenting cases demonstrate more similarities than differences in their approaches to strategic change. Belmont, Elon and High Point's transformation strategies overlap in nine key areas, while diverging in three others.

Common Themes

Focused, visionary leadership. Elon, Belmont and High Point's transformations each include critical contributions from a strong president with the ability to balance vision and execution. Their success affirms Kezar's (2009) argument that successful boards hire leaders known both as visionaries and implementers. For two of the three cases – Belmont and High Point – the arrival of new leadership began a process of revolutionary change and growth. Elon's rise in stature began under previous administrations, but has piqued to a new level under Lambert's leadership.

Lambert, Fisher and Qubein demonstrate the ability to inspire and energize staff, faculty and university partners to achieve a clear and focused vision. As Kotter (1995) recommends, these presidents apply thorough situational analysis and rigorous preparation, personally model the change process, and communicate their vision constantly, intentionally and widely while rewarding their teams and celebrating incremental victories. Fisher, Lambert and Qubein inspire urgency and rouse their teams toward an envisioned goal state. Though Qubein's arrival to High Point is more recent than his counterparts at Elon and Belmont, each president demonstrates a long-term commitment and investment in the university; Lambert and Fisher have spent more than a decade leading and growing their respective institutions. Kezar (2009) found an average tenure for university presidents to be seven years; all three presidents have met or exceeded this average, increasing their ability to model and sustain institutional change.

Strategic planning. Each institution also engages in a strategic planning process to clarify goals and implement processes for their achievement. Elon demonstrates the most extensive commitment to strategic planning, as seen in the university's series of decade-long plans that began with the Plan for the '90s and continues with the current Elon Commitment. Belmont's Vision 2015 outlines the institution's pathway toward its next tier of achievements. Though less a part of High Point's vernacular, High Point's Strategic Directions 2002-2014 plan, as well as the preceding National Commission Report on the Future of High Point College, provided a framework for the institution's growth into the 21st century. The prevalence of strategic planning, as well as each planning framework's emphasis on the university's mission, affirm Ozdem's (2007) study on the commonalities in mission and vision statements expressed in university strategic plans. The case institutions strategic plans also incorporate stretch goals that define an ambitious vision for the university – sometimes inspiring skepticism (LL). Though Kezar (2009) argues that successful organizations agree on a small number of priorities aligned with their mission, needs, and shared stakeholder interests, Elon demonstrated success with a large number of objectives – 50 – expressed through ten-year strategic plans.

Building facilities, then endowment. All three case studies reflect a preference for deferring endowment growth in order to support shorter-term facilities improvements, enabling the institution to grow in enrollment through additional residential housing, classrooms and academic buildings, and recreational facilities. With the completion of major facilities overhaul, Elon has turned toward increasing endowment assets, and Belmont, too, has committed to doubling its endowment by 2015. Elon led North Carolina universities in endowment growth in 2010, with a return of 23.4 percent (Weisbecker, 2011).

Expansion of graduate programs. In addition to enrollment growth within the undergraduate student population, Belmont, High Point and Elon expanded into new graduate program areas that provide additional tuition revenue without the addition of costly residence halls. Law and health science programs proved common areas of interest and market need; both Belmont and Elon established schools of law, and High Point and Belmont established health science and/or pharmacy programs. Though Kinser (2010) found that undergraduate enrollment growth exceeded graduate enrollment growth from 1996-2007, Elon, Belmont and High Point demonstrate that increasing demand for professional programs, as well as the lower relative cost of maintaining these programs, have in some cases prompted graduate programming to expand.

Intentional community relations. Each of the three institutions considered in this study took a proactive, strategic approach to interaction with the surrounding community. From Qubein's declaration of High Point University as "High Point's University," to Belmont's commitment to an identity as "Nashville's university," each institution emphasized the importance of constructive town-gown partnership. Though without a vibrant surrounding town, Elon partnered with the City of Greensboro as the location for its new law school campus and maintains supportive relationships with the towns of Burlington and Elon (MM). Despite High Point's expansion into the surrounding neighborhoods, Qubein has generated increased financial support from major donors in the community, offers free access to university cultural and educational opportunities, and continues to generate new construction, service, and administrative jobs that counter High Point's unemployment rate (MD).

Faculty and curriculum development. Elon, Belmont and High Point each emphasized faculty compensation, enhanced overall faculty quality through new hires, and demonstrated concerted efforts to engage faculty in growth, recruitment, and new levels of excellence. With the exception of High Point, where over half the faculty has arrived since 2005, each institution acknowledged the challenge of faculty buy-in to the change process. With longer-serving faculty and more established institutional culture, Elon and Belmont would appear more likely to face challenges posed by an academy resistant to change. Each university has demonstrated attention to adapting and developing the university's curriculum. In particular, High Point has shifted to four credit-hour courses with an application-based component of each course, Elon reinstated a foreign language requirement, and each institution has added new majors and programs to keep abreast of student interests and market demands. Conversations with leaders at each institution revealed that Elon, High Point and Belmont experience the well-documented challenges of engaging faculty in growth and change, affirming Menand's (2010) argument that faculty politics represent one of the most pressing challenges facing higher education institutions today. Findings based on the cases at hand corroborate with Bonvillian & Murphy's (1997) conclusions that tension between faculty and administration often results from faculty frustration with growth they perceive to result from market-based business practices rather than a traditional focus on educational mission .

Mission-centrism. Particularly relevant to each institution's transformation was its focus on mission as a guiding point with which to gauge decisions of change and growth. Shared goals expressed across all three institutions' mission statements affirm Ozdem's (2007) conclusion that universities share a core set of themes and values. But while Ozdem (2007) finds that many universities emphasize educating the work force and supporting research, the three liberal arts institutions explored here highlight learning over professional skills or research. All reflect a shared commitment to education and learning, each institution's mission statement offers a specific vision or value proposition that differentiates it from the rest. Belmont emphasizes Christian community; Elon transforms, and High Point prepares students for lives of significance. Leaders of each institution returned repeatedly to their university's mission statement as a framework of reference and a source of consistency amidst change. Representatives of each institution also offered their mission statement as a key asset and source of shared language and values as they looked to the future. Belmont in particular relied upon its mission as a Christian university to guide its decision to establish a law school and considered forgoing the profitable venture if ABA accreditation requirements conflicted with the faith-based tenets of the university's mission, but was able to reconcile both.

Market niche. In keeping with each institution's emphasis on its unique approach to education, Elon, High Point and Belmont grew successfully through the establishment of new programs in areas that combined their strengths and values with market demand. Each institution leveraged its signature programs to increase brand recognition and achieve differentiation. Belmont's renowned music business program, well-aligned with the Nashville community, allowed the Belmont's new law school to extend this existing niche into the field of music business law. Elon's recognition as a leader in student engagement and experiential learning encouraged the enhancement of international study programs, and supports the teacher/scholar model by encouraging faculty to interact with and mentor students. Elon also leveraged its strategic advantage over higher-cost private liberal arts schools in the Northeast by appealing specifically to students interested in Elon's academic and geographic climate. High Point's pristine, nurturing environment and multitude of student services differentiate the university from even its more established peers. Ultimately, each institution was able to make a case for itself among thousands of peer universities by identifying its key differentiating factors. This finding supports Obloj, Kushman, & Kozminski's (1995) argument that organizations excel by identifying the intersection among their strategy, environment and competitive advantage.

Lower-need students. Though each institution's student body demonstrates a range of financial need, Elon, Belmont and High Point have attracted a significant number of students from relatively affluent backgrounds whose families can afford the cost of tuition, saving the university institutional aid dollars and increasing tuition revenue. As each university has grown, this critical tuition revenue allows the institution to invest in the facilities and programs that will attract additional students. Ultimately, these institutions offer relatively low tuition discounts and attract students with a greater ability to pay. Elon in particular has benefited from an increasing academic profile but relatively low cost of tuition compared to more established and selective peers, allowing the university to attract high-merit, low-need students who might have considered other, more expensive, institutions. As indicated by High Point's rapidly-increasing annual total for parent giving, High Point's amenities and growing academic programs also successfully attract affluent families.

Recommendations

Informed by a review of the literature and subsequent case study analysis of the three institutions explored in this paper, this research provides nine key areas of recommendation for private, liberal arts universities planning for transformative institutional change. The following recommendations are based on common themes identified in data analysis and discussion.

- Universities seeking transformational improvement should assess the capacity of their leadership to inspire and drive change efforts. Transformational change requires focused executive leadership that balances a compelling long-term vision with immediate actions and needs.
- Leadership should consider strategic planning as a valuable framework for outlining and implementing a change vision and path to achievement. Plans and goals must be constantly, consistently and clearly communicated to all constituents.

- Institutions seeking comprehensive growth should focus financial resources first on providing adequate facilities to meet university needs and goals. Once critical facilities needs have been met, endowment resources should rise in priority to ensure the long-term sustainability of programs and scholarships.
- Universities seeking enrollment growth should assess viable options for expanding or adding graduate programs. This approach avoids the cost of providing additional housing for new students and responds to increasing market demand for professional programs and career development.
- Institutions should proactively seek community relationships and broadly communicate the university's mission and value, prioritizing key individuals and organizations that may combat change or growth or whose support will influence broader buy-in from others. Universities can benefit from approaching community relationships from a service-minded perspective that encourages the community to take ownership and pride in the institution.
- Institutions seeking to enhance academic quality should prioritize the development and engagement of faculty as champions of intellectual growth. Increasing academic profile may require the recruitment of high-potential new faculty members. Universities planning major change efforts should reevaluate, and potentially revise, curriculum and general education requirements to remain relevant and competitive.
- Universities planning major change efforts should refer to their established mission statement as a guideline for growth and key factor in strategic decision making. Clearly aligning change with the university's mission will increase stakeholder support and provide a common frame of reference for all constituents.
- Institutions should identify and leverage an individual or select few strengths, target audiences, or strategic advantages that build a unique identity and provide differentiation among peers. Strengthening and communicating these unique assets allows the institution to enhance its profile and attract new students and partners.
- Universities can increase the financial feasibility of enrollment growth by intentionally recruiting a critical number of students with limited financial need. This should not occur at the expense of qualification or fit with the institution, and need not exclude those with greater need from acceptance or enrollment. Identifying and attracting students with the ability to pay full-price for tuition allows the institution to offset some of the expense associated with institutional growth.

These factors represent the most prevalent components of institutional transformations demonstrated by Elon, Belmont, and High Point Universities. They certainly do not comprise an exhaustive list and are inevitably subject to the differences and unique situations present at each institution seeking growth; however, they offer a valuable foundation and benchmark for peer universities.

Conclusion

This study explored the strategies and factors supporting institutional transformation in private universities. Following a review of existing literature on the context of higher education, theories of organizational change, and change in the college and university environment, the researcher identified and studied three case institutions that have significantly improved in profile and grown in size over the last five to seven years. After interviewing key leaders at Belmont University, High Point University, and Elon University and analyzing qualitative data for patterns and themes, findings indicate that successful transformation includes: focused, visionary leadership; strategic planning; building facilities first, then endowment; expansion of graduate programs; intentional community relations; faculty and curriculum development; emphasis on mission; identifying and leveraging a market niche, and strategic emphasis on attracting affluent students. These findings provided nine recommendation areas for universities planning to engage in growth and change. The three institutions participating in the study also diverged in their approach to the pace of change and to financing growth, indicating that further study should explore the various factors associated with both the financial management of expansion, and the long-term impact of both rapid and gradual change.

In particular, results of this study highlight the value of leadership, strategic planning, and community partnerships as critical factors in organizational success – both within and beyond the context of higher education. This study offer a reminder to return constantly to institutional mission, to engage faculty as key change agents in efforts to improve academic quality, and to seek out and leverage key differentiators that build on institutional strengths and future potential. Contrasting the rate of change at High Point with the gradual incline at Elon should encourage leaders and scholars to think critically about the challenge of balancing a fast pace with a patience plan.

In an environment plagued by rapid change, long-term planning involves a gamble; but in a fiercely-competitive educational environment, incremental change might just as easily result in falling behind while other move ahead. Entrenched in an educational system that resists change, individual institutions must step forward on their own to redefine the landscape for learning. Not every university will, or should, choose to grow. But as the 21st century moves forward and students require different skills, programs and experiences to equip them for life and work, the educational institutions that excel will be those that adapt and change. This study offers a framework of common factors supporting transformational change, and the value of these findings lies in their ability to educate leaders in higher education about successful practices and key characteristics of rising universities. This paper also offers valuable insight for faculty and administration involved in the growing pains and pleasures of a modern university, allowing all organizational players to better understand the challenging dynamics of surviving and thriving in the education sector today.

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